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EMPLOYMENT-UNEMPLOYMENT

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BEFORE THE

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CONGRESS OF THE UNITED STATES

NINETY-NINTH CONGRESS

FIRST SESSION

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EMPLOYMENT-UNEMPLOYMENT

WEDNESDAY, JANUARY 9, 1985

Congress of the United States,
Joint Economic Committee,
Washington, DC.

The committee met, pursuant to notice, at 9:40 a.m., in room SD-106, Dirksen Senate Office Building, Hon. James Abdnor (vice chairman of the committee) presiding.

Present: Senators Abdnor and Proxmire.

Also present: Robert J. Tosterud, deputy director; Charles H. Bradford, assistant director; and Christopher J. Frenze, professional staff member.

OPENING STATEMENT OF SENATOR ABDNOR, VICE CHAIRMAN

Senator **Abdnor**. The committee will come to order.

Ms. Norwood, it gives me a great deal of pleasure to welcome you this morning. On behalf of the members of the Joint Economic Committee, I would like to express appreciation for your testimony before us each month. I would also like to make note of the fact that 1985 marks the beginning of the second century of the Bureau of Labor Statistics, a Government office whose objectivity and integrity is certainly well known and respected.

As I understand it, Commissioner Norwood once again brings us good news. Employment rose 340,000 during the month of December to a level of 106.3 million. More Americans are now working than ever before. The overall outlook for future improvement is positive. The progress made to date is indeed very, very impressive.

At this hearing, we have a complete statistical record of 2 full years of expansion. During this time, over 7 million new jobs have been created, more than during any comparable period of recovery in the post-World War II period. This spectacular economic performance is the wonder of the world. The United States has created more jobs in 2 years than the entire continent of Europe has in at least 10 years.

The decline in the unemployment rate during this expansion has been greater than any decline during the first 2 years of any U.S. recovery since the mid-1950's. Since the index of leading indicators suggests that economic growth is indeed picking up again, we may expect further improvements in the employment outlook. According to many economists, the unemployment rate could fall, and we certainly hope it will fall, below the 7-percent level for the first time since mid-1980.

However, we cannot ignore the fact that the great improvement in the economy and in labor markets over the last 2 years has not been uniform throughout all sectors of society. Nor can we rest until the benefits of a healthy economy are spread to those who are now left out. Though there are a number of such groups, I would like to focus on one of particular interest to me. It remains a fact that despite the optimistic economic outlook, agriculture remains depressed. Defective farm policy, depressed commodity prices, and high interest rates are among the primary causes of this problem. If our desire to extend prosperity to all is to become a reality, we need to urgently address the needs of America's largest single industry—agriculture.

I am extremely pleased to have one of the key members of this committee with a great interest in agriculture here with me. I must believe that he is here because I see his picture in the paper every month——

[Laughter.]

Senator **Abdnor** [continuing]. Because of his great interest in this. It is Senator Proxmire. Senator Proxmire, I am sure you must have something to add.

OPENING STATEMENT OF SENATOR PROXMIRE

Senator **Proxmire**. Well, thank you very much, Mr. Vice Chairman; you must read a different paper than I do.

I don't read much about who asks questions at these hearings, and maybe you shouldn't. I think you ought to read about what Ms. Norwood has to say. I think she, after all, is the star for us.

You and I look at this a little differently, Mr. Vice Chairman. It seems to me that the figures show that unemployment went up in December, not down. It went up.

Furthermore, since June there has been no improvement at all in our unemployment figures, and I think that reflects pretty much these figures that we have on growth.

As we know, the third quarter and the fourth quarter were both far different than the first and second quarters of the year. As a matter of fact, we had a very exuberant growth in the first half of the year, and then it slowed down to a pace at which we would not expect unemployment to decline very much or to change very much.

The discouraging fact is that we seem to have bottomed out at an unemployment level of around 7 percent; 7.2 percent is the precise figure.

The leading indicators also, of course, have been erratic for the last 5 or 6 months. For something like 21 months in a row they were favorable, and then for the last 6 months they have been up and down. They are down now below what they were in May.

So in my view, the outlook is not very good, at least for unemployment. If we have the kind of growth that many people anticipate—Fortune magazine, for example, anticipates we will have growth between 2.5 and 3 percent over the next year or so—if we have that, that probably is not enough to reduce the level of unemployment.

If we put the 7-percent unemployment in perspective, it is a very, very high figure historically. It is certainly higher than we had during most of the 1950's, 1960's, even in periods of recession, and higher than most of the time in the last 30 years, with the exception, of course, of the very deep recession we had in 1982.

So I think these figures are not reassuring. I agree with you wholeheartedly on the very, very serious problem for our agriculture, but I think the outlook is not as good as it should be, and it is particularly puzzling and difficult for us because we have to work now—and Congress is dedicated to do this—we have to work now on reducing the deficit. That means we have less stimulus for the economy, and whatever action Congress takes with respect to reducing the deficit is likely to increase unemployment rather than decrease it.

So it is an extraordinarily perplexing and difficult time for economic policy. I am looking forward to whatever recommendations, interpretations the distinguished Ms. Norwood can give us this morning, as you say, as she so often does.

Senator **Abdnor**. Thank you, Senator Proxmire.

I am sure a lot of what we are talking about will come out in the testimony here, and I am looking forward to hearing from Ms. Norwood. You may proceed.

STATEMENT OF HON. JANET L. NORWOOD, COMMISSIONER, BUREAU OF LABOR STATISTICS, DEPARTMENT OF LABOR, ACCOMPANIED BY KENNETH V. DALTON, ASSOCIATE COMMISSIONER, OFFICE OF PRICES AND LIVING CONDITIONS; AND THOMAS J. PLEWES, ASSOCIATE COMMISSIONER, OFFICE OF EMPLOYMENT AND UNEMPLOYMENT STATISTICS

Ms. **Norwood**. Thank you very much, Mr. Vice Chairman.

We are always extremely pleased and feel privileged to have this opportunity to discuss the data that we released this morning with the Joint Economic Committee.

As always, I have here at the table with me Kenneth Dalton, who is in charge of our price program, and Thomas Plewes, who is in charge of our employment and unemployment program.

Employment continued to expand in December while unemployment held about steady. The overall jobless rate was 7.1 percent, and the civilian rate was 7.2 percent. Both rates had dropped slightly in the last few months and were down a percentage point from December a year ago. Since the November 1982 recession trough, each jobless rate has come down 3.5 percentage points, and the number of jobless persons has been reduced by 3.7 million.

It should be noted that, according to customary practice, the seasonally adjusted series from the household survey—the source of data on the labor force, total employment, and unemployment—have been revised to incorporate the 1984 seasonal experience. This revision is done routinely because seasonal patterns change over time.

Both the household and business surveys recorded December employment gains in excess of 300,000. With mild weather throughout much of the Nation, construction jobs declined less than is typical in December, producing an increase after seasonal adjustment. Plant holiday closings generally reduce employment in manufacturing in December, and this year the reduction was less than usual. After seasonal adjustment, therefore, factory jobs rose by

85,000. The largest gain was in automobile manufacturing, where employment rose by 25,000. The services industry was up by almost 100,000; it has gained 1 million jobs since December 1983.

Although employment in retail trade was about unchanged in December after seasonal adjustment, 300,000 jobs had been added in this industry in the 2 previous months. Employment in retail trade was up by nearly 1 million from December a year ago.

In the 25 months of the current recovery, more than 7 million jobs have been added by the Nation's business establishments. Two-thirds of this increase has been in the service-producing sector. In the goods producing sector, very few industries had added more than the number of jobs lost during the recession—construction, and within manufacturing, lumber, furniture, electrical and electronic equipment, transportation equipment, and rubber and plastic. Indeed, five of the industries published in our monthly release had employment levels in December that were lower than at the recession low in November 1982—mining and within manufacturing, steel, tobacco, petroleum and coal, and leather.

In December, in addition to the job gains in manufacturing, the factory workweek increased. This series, which usually rises early in recovery periods before employment begins to increase, has remained at historically high levels as the recovery has matured.

Reflecting gains in both employment and hours, the overall index of aggregate hours rose 0.4 percent over the month, and 4.6 percent over the year. The index for manufacturing showed a strong, over the month increase of 1.1 percentage points. In spite of this change, however, the index of aggregate hours in manufacturing is still below the level of the last business cycle peak in July 1981. In contrast, all of the industries within the service-producing sector, except transportation and public utilities, are well above their levels at that time.

While the jobless rate was little changed in December, it has dropped a full percentage point over the past year as the number of jobless declined by 1 million and the number of employed persons advanced by more than 3 million. This employment gain was shared about equally by adult men and women. Sizable expansion took place in managerial, professional, sales, and construction occupations. Virtually all of the expansion took place in full-time jobs. But there has been no reduction in the number of persons working part time for economic reasons.

Because of the interest in this latter category, the Bureau of Labor Statistics has created some new time series which isolate the main causes of involuntary part-time work. One kind, slack work, that is, full-time jobs with hours that have been cut back by the employer; and, second, the inability of a worker to obtain a full-time job. Effective with the data for January, which will be released next month, these new data series will be included in our monthly release. The statistics for December show that there were 2.6 million persons working part time because of slack work, and 2.9 million persons working part time because they were unable to find full-time jobs.

The labor force grew by 2.2 million in 1984, the largest December to December increase since 1979. This increase occurred even though the teenage labor force declined by 160,000. Despite the strong expansion, there has been very little reduction in the number of discouraged workers in the past year. There were still 1.3 million in this group in the fourth quarter of 1984. Blacks continued to comprise a disproportionate share of the discouraged—38 percent in the fourth quarter.

Both blacks and whites have experienced strong declines in their jobless rates over the past year, but at 15 percent in December, the black rate continues to be much higher than the rate for whites. The jobless rate for adult men, which had risen so much during the recession, continued in 1984 to come down more rapidly than the rate for women. In December, their rates were essentially the same—6.3 and 6.4 percent, respectively.

In December, more than 8 million people were unemployed. As I pointed out before, there's a great deal of turnover in the ranks of the unemployed, since each month a considerable proportion of the jobless finds jobs or leave the labor force. They are replaced by others who lose or leave jobs or enter the labor force searching for work. In recent months, the proportion of the jobless who are newly unemployed, that is, jobless for 1 month or less, has been about 40 percent. About 17 percent of the unemployed have been jobless for 6 months, or longer, however. Although the size of this group of long duration unemployed dropped slightly earlier in the year, the number of jobless for 6 months or more has held at 1.4 million since October.

In summary, the statistics for December show continued expansion in employment and the labor force with little change in unemployment. Job gains were widespread, with increases in two-thirds of the industries in the BLS diffusion index. Although the job market recovery slowed during the summer months, the fourth quarter shows improvement. For 1984 as a whole, there were large reductions in most unemployment categories as well as substantial employment increases.

Senator Abdnor, my colleagues and I would be glad to try to answer any of your questions.

[The table attached to Ms. Norwood's statement, together with the press release referred to, follows:]

UNEMPLOYMENT RATES OF ALL CIVILIAN WORKERS BY ALTERNATIVE SEASONAL ADJUSTMENT METHODS

Month and year	Unadjusted rate	X-11 ARIMA method: Official procedure	X-11 ARIMA method: Concurrent	X-11 ARIMA method: Stable	X-11 ARIMA method: Total	X-11 ARIMA method: Residual	X-11 method (official method before 1980)	Range (cols. 2-7)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1983								
December	8.0	8.2	8.2	8.3	8.2	8.2	8.2	0.1
1984								
January	8.8	8.0	8.0	8.0	8.1	8.0	8.0	.1
February	8.4	7.8	7.8	7.8	7.8	7.8	7.8	....
March	8.1	7.8	7.8	7.7	7.8	7.7	7.8	.1
April	7.6	7.8	7.8	7.9	7.8	7.7	7.8	.2
May	7.2	7.5	7.5	7.6	7.5	7.8	7.5	.3
June	7.4	7.2	7.2	7.2	7.2	7.3	7.2	.1

UNEMPLOYMENT RATES OF ALL CIVILIAN WORKERS BY ALTERNATIVE SEASONAL ADJUSTMENT METHODS—Continued

Month and year	Unadjusted rate	X-11 ARIMA method					X-11 method (official method before 1980)	Range (cols. 2-7)
		Official procedure	Concurrent	Stable	Total	Residual		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
July	7.5	7.5	7.5	7.4	7.5	7.5	7.5	.1
August	7.3	7.5	7.5	7.4	7.5	7.5	7.5	.1
September	7.1	7.4	7.4	7.4	7.4	7.4	7.4	....
October	7.0	7.3	7.3	7.4	7.3	7.3	7.3	.1
November	6.9	7.1	7.1	7.2	7.2	7.2	7.1	.1
December	7.0	7.2	7.2	7.3	7.2	7.1	7.1	.2

EXPLANATION OF COLUMN HEADS

(1) Unadjusted rate.—Unemployment rate of all civilian workers, not seasonally adjusted.

(2) Official procedure (X-11 ARIMA method).—The published seasonally adjusted rate for all civilian workers. Each of the 3 major civilian labor force components—agricultural employment, nonagricultural employment and unemployment—for 4 age-sex groups—males and females, ages 16 to 19 and 20 year and over—are seasonally adjusted independently using data from January 1974 forward. The data series for each of these 12 components are extended by a year at each end of the original series using ARIMA [auto-regressive, integrated, moving average] models chosen specifically for each series. Each extended series is then seasonally adjusted with the X-11 ARIMA Program. The 4 teenage unemployment and nonagricultural employment components are adjusted with the additive adjustment model, while the other components are adjusted with the multiplicative model. The unemployment rate is computed by summing the 4 seasonally adjusted unemployment components and calculating that total as a percent of the civilian labor force total derived by summing all 12 seasonally adjusted components. All the seasonally adjusted series are revised at the end of each year. Extrapolated factors for January-June are computed at the beginning of each year; extrapolated factors for July-December are computed in the middle of the year after the June data become available. Each set of 6-mo factors are published in advance, in the January and July issues, respectively, of employment and earnings.

(3) Concurrent (X-11 ARIMA method).—The official procedure for computation of the rate for all civilian workers using the 12 components is followed except that extrapolated factors are not used at all. Each component is seasonally adjusted with the X-11 ARIMA program each month as the most recent data become available. Rates for each month of the current year are shown as first computed; they are revised only once each year, at the end of the year when data for the full year become available. For example, the rate for January 1984 would be based, during 1984, on the adjustment of data from the period January 1974 through January 1984.

(4) Stable (X-11 ARIMA method).—Each of the 12 civilian labor force components is extended using ARIMA models as in the official procedure and then run through the X-11 part of the program using the stable option. This option assumes that seasonal patterns are basically constant from year-to-year and computes final seasonal factors as unweighted averages of all the seasonal-irregular components for each month across the entire span of the period adjusted. As in the official procedure, factors are extrapolated in 6-mo intervals and the series are revised at the end of each year. The procedure for computation of the rate from the seasonally adjusted components is also identical to the official procedure.

(5) Total (X-11 ARIMA method).—This is one alternative aggregation procedure, in which total unemployment and civilian labor force levels are extended with ARIMA models and directly adjusted with multiplicative adjustment models in the X-11 part of the program. The rate is computed by taking seasonally adjusted total unemployment as a percent of seasonally adjusted total civilian labor force. Factors are extrapolated in 6-mo intervals and the series revised at the end of each year.

(6) Residual (X-11 ARIMA method).—This is another alternative aggregation method, in which total civilian employment and civilian labor force levels are extended using ARIMA models and then directly adjusted with multiplicative adjustment models. The seasonally adjusted unemployment level is derived by subtracting seasonally adjusted employment from seasonally adjusted labor force. The rate is then computed by taking the derived unemployment level as a percent of the labor force level. Factors are extrapolated in 6-mo intervals and the series revised at the end of each year.

(7) X-11 method (official method befoe 1980).—The method for computation of the official procedure is used except that the series are not extended with ARIMA models and the factors are projected in 12-mo intervals. The standard X-11 program is used to perform the seasonal adjustment.

Methods of adjustment.—The X-11 ARIMA method was developed at Statistics Canada by the seasonal adjustment and times series staff under the direction of Estela Bee Dagum. The method is described in "The X-11 ARIMA Seasonal Adjustment Method," by Estela Bee Dagum, Statistics Canada Catalog No. 12-564E, February 1980.

The standard X-11 method is described in "X-11 Variant of the Census Method II Seasonal Adjustment Program," by Julius Shiskin, Allan Young and John Musgrave (Technical Paper No. 15, Bureau of the Census, 1967).

Source: U.S. Department of Labor, Bureau of Labor Statistics, January 1985.

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THE EMPLOYMENT SITUATION: DECEMBER 1984

Employment continued to rise in December and unemployment was little changed, the Bureau of Labor Statistics of the U.S. Department of Labor reported today. The overall unemployment rate was 7.1 percent, little different from the 7.0 percent in November. The rate for civilian workers, at 7.2 percent, was about the same as November's 7.1 percent (as revised). Each measure has declined by a full percentage point from a year earlier.

Civilian employment--as measured by the monthly survey of households--rose by 340,000 to a level of 106.3 million. The number of nonagricultural payroll jobs--as measured by the monthly survey of establishments--was up by 310,000 to 95.8 million. Each employment series rose sharply in 1984 and has advanced by more than 7.1 million since the November 1982 recession trough.

Unemployment (Household Survey Data)

The number of unemployed persons and the civilian worker unemployment rate were both about unchanged in December. A total of 8.2 million persons were unemployed, 1 million fewer than a year earlier. Most of the decline occurred early in the year, but there was also some improvement in the final quarter. (See table A-2.)

Jobless rates among most major worker groups--including adult men (6.3 percent), adult women (6.4 percent), whites (6.2 percent), blacks (15.0 percent), and Hispanics (10.2 percent)--were essentially unchanged over the month. The jobless rate for teenagers edged up to 18.8 percent in December, about the same as in October. (See tables A-2 and A-3.)

The average duration of unemployment was about unchanged in December but was down markedly over the past year. Virtually all of the 1 million

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**********************************************************
*      This release incorporates annual revisions in     *
*  seasonally adjusted unemployment and other labor      *
*  force series derived from the household survey.       *
*  The 1984 overall and civilian worker unemployment     *
*  rates as first computed and as revised,               *
*  plus additional information on the revisions,         *
*  appear on page 5.                                     *
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BLS 1884-1984
Centennial of Labor

decline in unemployment from December 1983 took place among those out of work for 15 weeks or longer. (See table A-7.)

The number of job losers was unchanged over the month but was down about 850,000 over the year. Job losers accounted for about 50 percent of

Table A. Major indicators of labor market activity, seasonally adjusted

Category	Quarterly averages		Monthly data			Nov.-Dec. change
	1984		1984			
	III	IV	Oct.	Nov.	Dec.	
HOUSEHOLD DATA						
	Thousands of persons					
Labor force 1/	115,464	115,885	115,721	115,773	116,162	389
Total employment 1/	107,016	107,652	107,354	107,631	107,971	340
Civilian labor force	113,754	114,185	114,016	114,074	114,464	390
Civilian employment	105,306	105,951	105,649	105,932	106,273	341
Unemployment	8,447	8,233	8,367	8,142	8,191	49
Not in labor force	62,841	62,948	62,940	63,061	62,842	-219
Discouraged workers	1,211	1,303	N.A.	N.A.	N.A.	N.A.
	Percent of labor force					
Unemployment rates:						
All workers 1/	7.3	7.1	7.2	7.0	7.1	0.1
All civilian workers	7.4	7.2	7.3	7.1	7.2	0.1
Adult men	6.4	6.2	6.2	6.2	6.3	0.1
Adult women	6.8	6.6	6.9	6.5	6.4	-0.1
Teenagers	18.6	18.4	18.7	17.8	18.8	1.0
White	6.4	6.2	6.3	6.1	6.2	0.1
Black	15.8	15.1	15.3	15.1	15.0	-0.1
Hispanic origin	10.6	10.3	10.7	10.1	10.2	0.1
ESTABLISHMENT DATA						
	Thousands of jobs					
Nonfarm payroll employment	94,560	95,480p	95,154	95,489p	95,798p	309p
Goods-producing	25,056	25,147p	25,080	25,113p	25,248p	135p
Service-producing	69,504	70,333p	70,074	70,376p	70,550p	174p
	Hours of work					
Average weekly hours:						
Total private nonfarm	35.3	35.2p	35.1	35.2p	35.3p	0.1p
Manufacturing	40.5	40.5p	40.4	40.5p	40.7p	0.2p
Manufacturing overtime	3.3	3.4p	3.3	3.4p	3.4p	0p

1/ Includes the resident Armed Forces.
p=preliminary.
NOTE: Household data have been revised based on the experience through December 1984.

N.A.=not available.

the total unemployed in December, compared with 58 percent in December 1983. (See table A-8.)

Civilian Employment and the Labor Force (Household Survey Data)

Civilian employment rose by 340,000 to 106.3 million in December, after seasonal adjustment. Most of the over-the-month gain occurred among adult women. Over the past year, civilian employment has risen by 3.2 million; this increase was shared equally by adult men and women. The proportion of the civilian population with jobs--the employment-population ratio--continued to edge upward and, at 59.9 percent in December, was up by 1.1 percentage points during 1984. (See table A-2.)

The civilian labor force expanded by nearly 400,000 in December to 114.5 million. Over the year, the labor force grew by about 2.2 million, and the proportion of the civilian working-age population in the labor force--the labor force participation rate--was 64.6 percent, one-half point above the year-earlier figure. As with the employed, all of the labor force growth for the year took place among adult workers. Teenagers continued to decline, reflecting reductions in their population.

Discouraged Workers (Household Survey Data)

At 1.3 million in the fourth quarter, the number of discouraged workers--persons who report that they want to work but are not looking for jobs because they believe they cannot find any--edged up slightly from the third quarter level. Their number had been trending downward over the past 2 years from the recession high of 1.8 million reached in the fourth quarter of 1982. All of the recent increase occurred among blacks, who continue to comprise a high proportion of the discouraged total. (See table A-13.)

Industry Payroll Employment (Establishment Survey Data)

Total nonagricultural payroll employment, at 95.8 million, was up by 310,000 in December, seasonally adjusted. Employment growth was widespread, with two-thirds of the industries in the BLS diffusion index registering over-the-month increases. (See tables B-1 and B-6.)

Manufacturing employment rose by 85,000 to 19.8 million. The biggest gain took place in transportation equipment (30,000), mostly due to growth in motor vehicles and equipment. Of the 1.4 million increase in durable goods during the current recovery, 1 out of 5 has been in autos, though employment in the industry was still 150,000 below the 1979 record levels. Moderate December employment gains were also registered, after seasonal adjustment, in the food processing, apparel, fabricated metals, and stone, clay, and glass products industries.

Construction employment fell less than seasonally expected in December, partly because of unusually good weather and, after seasonal adjustment, registered a gain of 55,000. Since the March 1983 low, construction jobs have risen by 655,000.

In the service-producing sector, the services industry continued its rapid job growth, expanding by 95,000. There were also employment gains in wholesale trade (30,000) and finance, insurance, and real estate (20,000). Retail trade employment rose in line with usual December expansion and was about unchanged after seasonal adjustment. There was also little over-the-month change in government and transportation and public utilities.

Weekly Hours (Establishment Survey Data)

The average workweek of production or nonsupervisory workers on private nonagricultural payrolls edged up 0.1 hour in December to 35.3 hours. Weekly hours in manufacturing rose by 0.2 hour to a relatively high level of 40.7 hours. Factory overtime was unchanged at 3.4 hours. (See table B-2.)

The index of aggregate weekly hours of production or nonsupervisory workers on private nonagricultural payrolls was up 0.4 percent in December to 114.5 (1977=100). The manufacturing index increased by 1.1 percent to 97.0 and was up by 3-1/2 percent over the year. (See table B-5.)

Hourly and Weekly Earnings (Establishment Survey Data)

Average hourly earnings rose 0.7 percent in December, and weekly earnings were up 1 percent, seasonally adjusted. Prior to seasonal adjustment, average hourly earnings increased 4 cents to $8.47, and average weekly earnings were up $4.80 to $300.69. Over the past year, hourly earnings have risen 31 cents and weekly earnings $11.01. (See table B-3.)

The Hourly Earnings Index (Establishment Survey Data)

The Hourly Earnings Index (HEI) was 163.0 (1977=100) in December, seasonally adjusted, an increase of 0.6 percent from November. For the 12 months ended in December, the increase (before seasonal adjustment) was 3.4 percent. The HEI excludes the effects of two types of changes unrelated to underlying wage rate movements--fluctuations in overtime in manufacturing and interindustry employment shifts. In dollars of constant purchasing power, the HEI decreased 0.4 percent during the 12-month period ended in November. (See table B-4.)

Revisions of Seasonally Adjusted Household Survey Data

At the end of each calendar year, the BLS routinely revises the seasonally adjusted labor force series derived from the Current Population Survey (household survey) to incorporate the experience of that year. As a result of the recalculation of the seasonal factors, seasonally adjusted data for the most recent 5 years are subject to revision. (Establishment data are similarly revised concurrent with annual benchmark adjustments about mid-year.)

Table B summarizes the effects of the revisions on the overall and civilian worker unemployment rates in 1984. The 1984 annual averages, 7.4 percent for all workers and 7.5 percent for civilian workers, are not affected by seasonal adjustment revisions. Table C presents revised seasonally adjusted data for major civilian labor force series for December 1983 through December 1984.

The January 1985 issue of Employment and Earnings will contain the new seasonal adjustment factors that will be used to calculate the civilian labor force and other major series for January-June of 1985, a description of the current seasonal adjustment methodology, and revised data for the most recent 13 months or calendar quarters for all regularly published tables containing seasonally adjusted household survey data. Revised monthly data for the entire 1980-84 revision period for 440 labor force series will be published in the February 1985 issue. Historical seasonally adjusted data (monthly and quarterly) from the time of the inception of the various series may be obtained from the Bureau upon request. (Contact Gloria P. Green, (202) 523-1959.)

Table B. Seasonally adjusted unemployment rates in 1984 and change due to revision

Month	As first computed		As revised		Change due to revision	
	Overall	Civilian	Overall	Civilian	Overall	Civilian
January....	7.9	8.0	7.9	8.0	0	0
February...	7.7	7.8	7.7	7.8	0	0
March......	7.7	7.8	7.7	7.8	0	0
April......	7.7	7.8	7.7	7.8	0	0
May........	7.4	7.5	7.4	7.5	0	0
June.......	7.0	7.1	7.1	7.2	0.1	0.1
July.......	7.4	7.5	7.3	7.5	-0.1	0
August.....	7.4	7.5	7.4	7.5	0	0
September..	7.3	7.4	7.2	7.4	-0.1	0
October....	7.3	7.4	7.2	7.3	-0.1	-0.1
November...	7.0	7.2	7.0	7.1	0	-0.1
December...	7.1	7.2	7.1	7.2	0	0

Table C. Employment status of the civilian noninstitutional population by sex and age, seasonally adjusted

(Numbers in thousands)

Employment status, sex, and age	1983	1984											
	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
TOTAL													
Civilian noninstitutional population1/	175,121	175,533	175,679	175,824	175,969	176,123	176,284	176,440	176,583	176,763	176,956	177,135	177,306
Civilian labor force	112,237	112,320	112,724	112,906	113,202	113,722	113,619	113,868	113,629	113,764	114,016	114,074	114,464
Percent of population	64.1	64.0	64.2	64.2	64.3	64.6	64.5	64.5	64.3	64.4	64.4	64.4	64.6
Employed	103,029	103,294	103,888	104,123	104,402	105,162	105,391	105,377	105,148	105,394	105,649	105,932	106,273
Employment-population ratio2/	58.8	58.8	59.1	59.2	59.3	59.7	59.8	59.7	59.5	59.6	59.7	59.8	59.9
Unemployed	9,208	9,026	8,836	8,783	8,800	8,560	8,228	8,491	8,481	8,370	8,367	8,142	8,191
Unemployment rate	8.2	8.0	7.8	7.8	7.8	7.5	7.2	7.5	7.5	7.4	7.3	7.1	7.2
Men, 20 years and over													
Civilian noninstitutional population1/	75,433	75,692	75,796	75,880	75,973	76,073	76,176	76,269	76,350	76,451	76,565	76,663	76,753
Civilian labor force	59,097	59,285	59,372	59,400	59,474	59,572	59,668	59,730	59,771	59,892	59,913	59,994	60,131
Percent of population	78.3	78.3	78.3	78.3	78.3	78.3	78.3	78.3	78.3	78.3	78.3	78.3	78.3
Employed	54,715	55,012	55,233	55,352	55,387	55,663	55,861	55,846	55,935	56,075	56,182	56,269	56,372
Employment-population ratio2/	72.5	72.7	72.9	72.9	72.9	73.2	73.3	73.2	73.3	73.3	73.4	73.4	73.4
Agriculture	2,367	2,367	2,399	2,382	2,446	2,443	2,448	2,444	2,406	2,414	2,334	2,434	2,494
Nonagricultural industries	52,348	52,645	52,834	52,970	52,941	53,220	53,413	53,402	53,529	53,661	53,848	53,835	53,878
Unemployed	4,382	4,273	4,139	4,048	4,087	3,909	3,807	3,884	3,836	3,817	3,731	3,725	3,759
Unemployment rate	7.4	7.2	7.0	6.8	6.9	6.6	6.4	6.5	6.4	6.4	6.2	6.2	6.3
Not in labor force	16,336	16,407	16,414	16,480	16,499	16,501	16,508	16,539	16,579	16,559	16,652	16,669	16,622
Women, 20 years and over													
Civilian noninstitutional population1/	84,666	84,860	84,962	85,064	85,168	85,272	85,380	85,488	85,581	85,688	85,793	85,897	85,995
Civilian labor force	45,099	45,031	45,313	45,482	45,685	46,130	45,958	46,131	46,092	45,950	46,264	46,279	46,463
Percent of population	53.3	53.1	53.3	53.5	53.6	54.1	53.8	54.0	53.9	53.6	53.9	53.9	54.0
Employed	41,872	41,840	42,178	42,334	42,524	43,003	42,986	43,001	42,878	42,906	43,091	43,252	43,511
Employment-population ratio2/	49.5	49.3	49.6	49.8	49.9	50.4	50.3	50.3	50.1	50.1	50.2	50.4	50.6
Agriculture	647	621	627	587	613	603	611	580	573	590	569	580	595
Nonagricultural industries	41,225	41,219	41,551	41,747	41,911	42,400	42,375	42,421	42,305	42,316	42,522	42,672	42,916
Unemployed	3,227	3,191	3,135	3,148	3,161	3,127	2,972	3,130	3,214	3,044	3,173	3,027	2,952
Unemployment rate	7.2	7.1	6.9	6.9	6.9	6.8	6.5	6.8	7.0	6.6	6.9	6.5	6.4
Not in labor force	39,567	39,829	39,649	39,582	39,483	39,142	39,422	39,357	39,489	39,738	39,529	39,618	39,532
Both sexes, 16 to 19 years													
Civilian noninstitutional population1/	15,022	14,981	14,931	14,880	14,828	14,778	14,728	14,683	14,653	14,624	14,598	14,575	14,557
Civilian labor force	8,041	8,004	8,039	8,024	8,043	8,020	7,993	8,007	7,766	7,922	7,839	7,801	7,870
Percent of population	53.5	53.4	53.8	53.9	54.2	54.3	54.3	54.5	53.0	54.2	53.7	53.5	54.1
Employed	6,442	6,442	6,477	6,437	6,491	6,496	6,544	6,530	6,335	6,413	6,376	6,411	6,390
Employment-population ratio2/	42.9	43.0	43.4	43.3	43.8	44.0	44.4	44.5	43.2	43.9	43.7	44.0	43.9
Agriculture	315	306	338	336	320	321	309	309	285	315	266	320	296
Nonagricultural industries	6,127	6,136	6,139	6,101	6,171	6,175	6,235	6,221	6,050	6,098	6,110	6,091	6,094
Unemployed	1,599	1,562	1,562	1,587	1,552	1,524	1,449	1,477	1,431	1,509	1,463	1,390	1,480
Unemployment rate	19.9	19.5	19.4	19.8	19.3	19.0	18.1	18.4	18.4	19.0	18.7	17.8	18.8
Not in labor force	6,981	6,977	6,892	6,856	6,785	6,758	6,735	6,676	6,887	6,702	6,759	6,774	6,687

1/ The population figures are not adjusted for seasonal variation.

2/ Civilian employment as a percent of the civilian noninstitutional population.

NOTE: Data have been revised based on the experience through December 1984.

Explanatory Note

This news release presents statistics from two major surveys, the Current Population Survey (household survey) and the Current Employment Statistics Survey (establishment survey). The household survey provides the information on the labor force, total employment, and unemployment that appears in the A tables, marked **HOUSEHOLD DATA**. It is a sample survey of about 60 000 households that is conducted by the Bureau of the Census with most of the findings analyzed and published by the Bureau of Labor Statistics (BLS).

The establishment survey provides the information on the employment, hours, and earnings of workers on nonagricultural payrolls that appears in the B tables, marked **ESTABLISHMENT DATA**. This information is collected from payroll records by BLS in cooperation with State agencies. The sample includes approximately 200,000 establishments employing over 35 million people.

For both surveys, the data for a given month are actually collected for and relate to a particular week. In the household survey, unless otherwise indicated, it is the calendar week that contains the 12th day of the month, which is called the survey week. In the establishment survey, the reference week is the pay period including the 12th, which may or may not correspond directly to the calendar week.

The data in this release are affected by a number of technical factors, including definitions, survey differences, seasonal adjustments, and the inevitable variance in results between a survey of a sample and a census of the entire population. Each of these factors is explained below.

Coverage, definitions, and differences between surveys

The sample households in the household survey are selected so as to reflect the entire civilian noninstitutional population 16 years of age and older. Each person in a household is classified as employed, unemployed, or not in the labor force. Those who hold more than one job are classified according to the job at which they worked the most hours.

People are classified as *employed* if they did any work at all as paid civilians; worked in their own business or profession or on their own farm; or worked 15 hours or more in an enterprise operated by a member of their family, whether they were paid or not. People are also counted as employed if they were on unpaid leave because of illness, bad weather, disputes between labor and management, or personal reasons. Members of the Armed Forces stationed in the United States are also included in the employed total.

People are classified as *unemployed*, regardless of their eligibility for unemployment benefits or public assistance, if they meet all of the following criteria: They had no employment during the survey week; they were available for work at that time; and they made specific efforts to find employment sometime during the prior 4 weeks. Also included among the unemployed are persons not looking for work because they were laid off and waiting to be recalled and those expecting to report to a job within 30 days.

The *labor force* equals the sum of the number employed and the number unemployed. The *unemployment rate* is the percentage of unemployed people in the labor force (civilian plus the resident Armed Forces). Table A-5 presents a special grouping of seven measures of unemployment based on varying definitions of unemployment and the labor force. The definitions are provided in the table. The most restrictive definition yields U-1 and the most comprehensive yields U-7. The overall unemployment rate is U-5a, while U-5b represents the same measure with a civilian labor force base.

Unlike the household survey, the establishment survey only counts wage and salary employees whose names appear on the payroll records of nonagricultural firms. As a result, there are many differences between the two surveys, among which are the following:

- The household survey, although based on a smaller sample, reflects a larger segment of the population; the establishment survey excludes agriculture, the self-employed, unpaid family workers, private household workers, and members of the resident Armed Forces.

- The household survey includes people on unpaid leave among the employed; the establishment survey does not.

- The household survey is limited to those 16 years of age and older; the establishment survey is not limited by age.

- The household survey has no duplication of individuals, because each individual is counted only once; in the establishment survey, employees working at more than one job or otherwise appearing on more than one payroll would be counted separately for each appearance.

Other differences between the two surveys are described in "Comparing Employment Estimates from Household and Payroll Surveys," which may be obtained from the BLS upon request.

Seasonal adjustment

Over the course of a year, the size of the Nation's labor force and the levels of employment and unemployment undergo sharp fluctuations due to such seasonal events as changes in weather, reduced or expanded production, harvests, major holidays, and the opening and closing of schools. For example, the labor force increases by a large number each June, when schools close and many young people enter the job market. The effect of such seasonal variation can be very large; over the course of a year, for example, seasonality may account for as much as 95 percent of the month-to-month changes in unemployment.

Because these seasonal events follow a more or less regular pattern each year, their influence on statistical trends can be eliminated by adjusting the statistics from month to month. These adjustments make nonseasonal developments, such as declines in economic activity or increases in the participation of women in the labor force, easier to spot. To return to the school's-out example, the large number of people entering the labor force each June is likely to obscure any other changes that have taken place since May, making it difficult to determine if the level of economic activity has risen or declined. However, because the effect of students finishing school in previous years is known, the statistics for the current year can be adjusted to allow for a comparable change. Insofar as the seasonal adjustment is made correctly, the adjusted figure provides a more useful tool with which to analyze changes in economic activity.

Measures of labor force, employment, and unemployment contain components such as age and sex. Statistics for all employees, production workers, average weekly hours, and average hourly earnings include components based on the employer's industry. All these statistics can be seasonally adjusted either by adjusting the total or by adjusting each of the components and combining them. The second procedure usually yields more accurate information and is therefore followed by BLS. For example, the seasonally adjusted figure for the labor force is the sum of eight seasonally adjusted civilian employment components, plus the resident Armed Forces total (not adjusted for seasonality), and four seasonally adjusted unemployment components; the total for unemployment is the sum of the four unemployment components; and the overall unemployment rate is derived by dividing the resulting estimate of total unemployment by the estimate of the labor force.

The numerical factors used to make the seasonal adjustments are recalculated regularly. For the household survey, the factors are calculated for the January-June period and again for the July-December period. The January revision is applied to data that have been published over the previous 5 years. For the establishment survey, updated factors for seasonal adjustment are calculated only once a year, along with the introduction of new benchmarks which are discussed at the end of the next section.

Sampling variability

Statistics based on the household and establishment surveys are subject to sampling error, that is, the estimate of the number of people employed and the other estimates drawn from these surveys probably differ from the figures that would be obtained from a complete census, even if the same questionnaires and procedures were used. In the household survey, the amount of the differences can be expressed in terms of standard errors. The numerical value of a standard error depends upon the size of the sample, the results of the survey, and other factors. However, the numerical value is always such that the chances are approximately 68 out of 100 that an estimate based on the sample will differ by no more than the standard error from the results of a complete census. The chances are approximately 90 out of 100 that an estimate based on the sample will differ by no more than 1.6 times the standard error from the results of a complete census. At approximately the 90-percent level of confidence—the confidence limits used by BLS in its analyses—the error for the monthly change in total employment is on the order of plus or minus 328,000; for total unemployment it is 220,000; and, for the overall unemployment rate, it is 0.19 percentage point. These figures do not mean that the sample results are off by these magnitudes but, rather, that the chances are approximately 90 out of 100 that the "true" level or rate would not be expected to differ from the estimates by more than these amounts.

Sampling errors for monthly surveys are reduced when the data are cumulated for several months, such as quarterly or annually. Also, as a general rule, the smaller the estimate, the larger the sampling error. Therefore, relatively speaking, the estimate of the size of the labor force is subject to less error than is the estimate of the number unemployed. And, among the unemployed, the sampling error for the jobless rate of adult men, for example, is much smaller than is the error for the jobless rate of teenagers. Specifically, the error on monthly change in the jobless rate for men is .26 percentage point; for teenagers, it is 1.25 percentage points.

In the establishment survey, estimates for the 2 most current months are based on incomplete returns; for this reason, these estimates are labeled preliminary in the tables. When all the returns in the sample have been received, the estimates are revised. In other words, data for the month of September are published in preliminary form in October and November and in final form in December. To remove errors that build up over time, a comprehensive count of the employed is conducted each year. The results of this survey are used to establish new benchmarks—comprehensive counts of employment—against which month-to-month changes can be measured. The new benchmarks also incorporate changes in the classification of industries and allow for the formation of new establishments.

Additional statistics and other information

In order to provide a broad view of the Nation's employment situation, BLS regularly publishes a wide variety of data in this news release. More comprehensive statistics are contained in *Employment and Earnings*, published each month by BLS. It is available for **$4.50** per issue or **$31.00** per year from the U.S. Government Printing Office, Washington, D.C., 20204. A check or money order made out to the Superintendent of Documents must accompany all orders.

Employment and Earnings also provides approximations of the standard errors for the household survey data published in this release. For unemployment and other labor force categories, the standard errors appear in tables B through J of its "Explanatory Notes." Measures of the reliability of the data drawn from the establishment survey and the actual amounts of revision due to benchmark adjustments are provided in tables M, O, P, and Q of that publication.

Table A-1. Employment status of the population, including Armed Forces in the United State., by sex

(Numbers in thousands)

Employment status and sex	Not seasonally adjusted			Seasonally adjusted[1]					
	Dec. 1983	Nov. 1984	Dec. 1984	Dec. 1983	Aug. 1984	Sept. 1984	Oct. 1984	Nov. 1984	Dec. 1984
TOTAL									
Noninstitutional population[1]	176,909	178,834	179,004	176,909	178,295	178,483	178,661	178,834	179,004
Labor force[2]	113,583	115,414	115,726	113,925	115,343	115,488	115,721	115,773	116,162
Participation rate[3]	64.2	64.5	64.6	64.4	64.7	64.7	64.8	64.7	64.9
Total employed[2]	104,591	107,945	107,753	104,717	106,860	107,118	107,354	107,631	107,971
Employment-population ratio[4]	59.1	60.4	60.2	59.2	59.9	60.0	60.1	60.2	60.3
Resident Armed Forces	1,688	1,699	1,694	1,688	1,712	1,720	1,705	1,699	1,694
Civilian employed	102,903	106,246	106,059	103,029	105,148	105,398	105,649	105,932	106,277
Agriculture	2,950	3,227	3,012	3,129	3,268	3,319	3,169	3,338	3,345
Nonagricultural industries	99,952	103,019	103,047	99,900	101,880	102,079	102,480	102,594	102,932
Unemployed	8,992	7,469	7,973	9,208	8,483	8,370	8,367	8,142	8,191
Unemployment rate[5]	7.9	6.5	6.9	8.1	7.4	7.2	7.2	7.0	7.1
Not in labor force	63,326	63,420	63,278	62,984	62,952	62,995	62,940	63,061	62,842
Men, 16 years and over									
Noninstitutional population[1]	84,506	85,521	85,607	84,506	85,257	85,352	85,439	85,521	85,607
Labor force[2]	64,406	65,377	65,353	64,846	65,357	65,593	65,558	65,657	65,814
Participation rate[3]	76.2	76.4	76.3	76.7	76.7	76.8	76.7	76.8	76.9
Total employed[2]	59,096	61,063	60,729	59,609	60,766	60,959	61,018	61,155	61,252
Employment-population ratio[4]	69.9	71.4	70.9	70.5	71.3	71.4	71.4	71.5	71.6
Resident Armed Forces	1,537	1,552	1,550	1,537	1,563	1,571	1,557	1,552	1,550
Civilian employed	57,559	59,511	59,179	58,072	59,203	59,388	59,461	59,603	59,702
Unemployed	5,310	4,315	4,624	5,237	4,591	4,634	4,540	4,502	4,562
Unemployment rate[5]	8.2	6.6	7.1	8.1	7.0	7.1	6.9	6.9	6.9
Women, 16 years and over									
Noninstitutional population[1]	92,402	93,313	93,397	92,402	93,038	93,131	93,222	93,313	93,397
Labor force[2]	49,177	50,037	50,373	49,079	49,986	49,895	50,163	50,116	50,348
Participation rate[3]	53.2	53.6	53.9	53.1	53.7	53.6	53.8	53.7	53.9
Total employed[2]	45,495	46,883	47,024	45,108	46,094	46,159	46,336	46,476	46,719
Employment-population ratio[4]	49.2	50.2	50.3	48.8	49.5	49.6	49.7	49.8	50.0
Resident Armed Forces	151	147	144	151	149	149	148	147	144
Civilian employed	45,344	46,736	46,880	44,957	45,945	46,010	46,188	46,329	46,575
Unemployed	3,682	3,154	3,349	3,971	3,892	3,736	3,827	3,640	3,629
Unemployment rate[5]	7.5	6.3	6.6	8.1	7.8	7.5	7.6	7.3	7.2

[1] The population and Armed Forces figures are not adjusted for seasonal variation; therefore, identical numbers appear in the unadjusted and seasonally adjusted columns.

[2] Includes members of the Armed Forces stationed in the United States.

[3] Labor force as a percent of the noninstitutional population.

[4] Total employment as a percent of the noninstitutional population.

[5] Unemployment as a percent of the labor force (including the resident Armed Forces).

NOTE: Seasonally adjusted data have been revised based on the experience through December 1984.

Table A-2. Employment status of the civilian population by sex and age

(Numbers in thousands)

Employment status, sex, and age	Not seasonally adjusted			Seasonally adjusted[1]					
	Dec. 1983	Nov. 1984	Dec. 1984	Dec. 1983	Aug. 1984	Sept. 1984	Oct. 1984	Nov. 1984	Dec. 1984
TOTAL									
Civilian noninstitutional population	175,121	177,135	177,306	175,121	176,573	176,763	176,956	177,135	177,306
Civilian labor force	111,795	114,185	114,027	112,237	113,629	113,764	114,016	114,074	114,464
Participation rate	63.8	64.4	64.3	64.1	64.3	64.4	64.4	64.4	64.6
Employed	102,803	106,216	106,049	103,029	105,148	105,394	105,649	105,932	106,273
Employment-population ratio[2]	58.7	60.0	59.8	58.8	59.5	59.6	59.7	59.8	59.9
Unemployed	8,992	7,969	7,979	9,208	8,481	8,370	8,367	8,142	8,191
Unemployment rate	8.0	7.0	7.0	8.2	7.5	7.4	7.3	7.1	7.2
Men, 20 years and over									
Civilian noninstitutional population	75,413	76,661	76,753	75,413	76,350	76,451	76,565	76,663	76,753
Civilian labor force	58,915	59,955	59,923	59,037	59,771	59,892	59,913	59,994	60,131
Participation rate	78.1	78.2	78.1	78.3	78.3	78.3	78.3	78.3	78.3
Employed	54,452	56,402	56,093	54,715	55,935	56,075	56,182	56,269	56,372
Employment-population ratio[2]	72.2	73.6	73.1	72.5	73.3	73.3	73.4	73.4	73.4
Agriculture	2,188	2,424	2,301	2,367	2,406	2,414	2,334	2,434	2,494
Nonagricultural industries	52,265	53,978	53,792	52,348	53,529	53,661	53,848	53,835	53,878
Unemployed	4,463	3,552	3,831	4,322	3,836	3,817	3,731	3,725	3,759
Unemployment rate	7.6	5.9	6.4	7.3	6.4	6.4	6.2	6.2	6.3
Women, 20 years and over									
Civilian noninstitutional population	84,666	85,897	85,995	84,666	85,591	85,688	85,791	85,857	85,995
Civilian labor force	45,286	46,736	46,633	45,099	46,092	45,950	46,264	46,279	46,463
Participation rate	53.5	54.4	54.2	53.3	53.9	53.6	53.9	53.9	54.0
Employed	42,191	43,756	43,841	41,872	42,879	42,906	43,091	43,252	43,511
Employment-population ratio[2]	49.8	50.9	51.0	49.5	50.1	50.1	50.2	50.4	50.6
Agriculture	558	540	511	647	573	590	569	580	595
Nonagricultural industries	41,633	43,216	43,330	41,225	42,305	42,316	42,522	42,672	42,916
Unemployed	3,095	2,980	2,793	3,227	3,214	3,044	3,173	3,027	2,952
Unemployment rate	6.8	6.4	6.0	7.2	7.0	6.6	6.9	6.5	6.4
Both sexes, 16 to 19 years									
Civilian noninstitutional population	15,022	14,575	14,557	15,022	14,651	14,624	14,599	14,575	14,557
Civilian labor force	7,633	7,425	7,474	8,041	7,766	7,922	7,839	7,801	7,870
Participation rate	50.8	50.9	51.3	53.5	53.0	54.2	53.7	53.5	54.1
Employed	6,159	6,088	6,116	6,447	6,335	6,413	6,376	6,411	6,390
Employment-population ratio[2]	41.0	41.8	42.0	42.9	43.2	43.9	43.7	44.0	43.9
Agriculture	208	263	197	315	285	315	266	321	296
Nonagricultural industries	5,951	5,825	5,919	6,132	6,050	6,099	6,110	6,091	6,094
Unemployed	1,474	1,337	1,358	1,594	1,431	1,509	1,463	1,390	1,480
Unemployment rate	19.3	18.0	18.2	19.8	18.4	19.0	18.7	17.8	18.8

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[1] The population figures are not adjusted for seasonal variation; therefore, identical numbers appear in the unadjusted and seasonally adjusted columns.

[2] Civilian employment as a percent of the civilian noninstitutional population.

NOTE: Seasonally adjusted data have been revised based on the experience through December 1984.

Table A-3. Employment status of the civilian population by race, sex, age, and Hispanic origin

(Numbers in thousands)

Employment status, race, sex, age, and Hispanic origin	Not seasonally adjusted			Seasonally adjusted[1]					
	Dec. 1983	Nov. 1984	Dec. 1984	Dec. 1983	Aug. 1984	Sept. 1984	Oct. 1984	Nov. 1984	Dec. 1984
WHITE									
Civilian noninstitutional population	151,494	152,659	152,738	151,494	152,432	152,471	152,505	152,659	152,738
Civilian labor force	97,352	98,590	98,598	97,751	98,223	98,426	98,631	98,630	99,005
Participation rate	64.3	64.6	64.6	64.5	64.4	64.6	64.6	64.6	64.8
Employed	90,628	92,925	92,650	90,857	91,951	92,177	92,407	92,587	92,884
Employment-population ratio[2]	59.8	60.8	60.7	60.0	60.3	60.5	60.6	60.6	60.8
Unemployed	6,724	5,965	5,948	6,894	6,272	6,249	6,224	6,043	6,121
Unemployment rate	6.9	5.9	6.0	7.1	6.4	6.3	6.3	6.1	6.2
Men, 20 years and over									
Civilian labor force	51,854	52,499	52,479	52,040	52,392	52,494	52,508	52,586	52,695
Participation rate	79.6	79.6	78.5	78.9	78.6	78.7	78.6	78.7	78.8
Employed	48,387	49,781	49,550	48,657	49,497	49,604	49,667	49,745	49,840
Employment-population ratio[2]	73.1	74.5	74.1	73.7	74.3	74.4	74.4	74.5	74.5
Unemployed	3,468	2,719	2,929	3,383	2,895	2,890	2,841	2,841	2,855
Unemployment rate	6.7	5.2	5.6	6.5	5.5	5.5	5.4	5.4	5.4
Women, 20 years and over									
Civilian labor force	38,754	39,700	39,593	38,609	39,130	39,014	39,271	39,237	39,434
Participation rate	53.0	53.8	53.6	52.8	53.1	52.9	53.2	53.2	53.4
Employed	36,593	37,546	37,569	36,293	36,827	36,784	36,979	37,063	37,259
Employment-population ratio[2]	50.1	50.9	50.9	49.7	50.0	49.9	50.1	50.2	50.4
Unemployed	2,162	2,155	2,024	2,316	2,303	2,230	2,292	2,174	2,175
Unemployment rate	5.6	5.4	5.1	6.0	5.9	5.7	5.8	5.5	5.5
Both sexes, 16 to 19 years									
Civilian labor force	6,744	6,490	6,527	7,102	6,701	6,918	6,852	6,807	6,876
Participation rate	54.3	54.0	54.4	57.2	55.5	57.4	56.9	56.5	57.3
Employed	5,649	5,498	5,532	5,907	5,627	5,789	5,761	5,779	5,785
Employment-population ratio[2]	45.5	45.7	46.1	47.6	46.6	48.0	47.9	47.9	48.2
Unemployed	1,095	992	995	1,195	1,074	1,129	1,091	1,029	1,091
Unemployment rate	16.2	15.3	15.2	16.8	16.0	16.3	15.9	15.1	15.9
Men	19.7	17.1	17.4	17.4	16.7	17.0	16.6	16.2	16.2
Women	13.6	13.3	12.9	16.1	15.4	15.5	15.2	13.9	15.5
BLACK									
Civilian noninstitutional population	19,086	19,481	19,513	19,086	19,386	19,416	19,449	19,481	19,513
Civilian labor force	11,561	12,234	12,183	11,684	12,142	12,092	12,209	12,276	12,306
Participation rate	60.6	62.8	62.4	61.2	62.6	62.2	62.8	63.0	63.1
Employed	9,589	10,479	10,424	9,620	10,222	10,260	10,340	10,426	10,462
Employment-population ratio[2]	50.2	53.8	53.4	50.4	52.7	52.8	53.2	53.5	53.6
Unemployed	1,972	1,755	1,759	2,064	1,920	1,832	1,869	1,850	1,844
Unemployment rate	17.1	14.3	14.4	17.7	15.8	15.1	15.3	15.1	15.0
Men, 20 years and over									
Civilian labor force	5,544	5,743	5,738	5,567	5,718	5,697	5,739	5,729	5,762
Participation rate	74.4	74.9	74.6	74.7	75.0	74.6	75.0	74.7	74.9
Employed	4,706	5,061	4,977	4,726	4,914	4,927	4,970	4,998	4,998
Employment-population ratio[2]	63.2	66.0	64.7	63.4	64.5	64.5	64.9	65.1	65.1
Unemployed	838	682	761	841	804	770	769	731	764
Unemployment rate	15.1	11.9	13.3	15.1	14.1	13.5	13.4	12.8	13.3
Women, 20 years and over									
Civilian labor force	5,294	5,698	5,672	5,328	5,589	5,538	5,601	5,704	5,703
Participation rate	55.1	58.9	58.5	56.4	58.1	57.5	58.0	59.0	58.9
Employed	4,507	4,958	4,999	4,482	4,818	4,841	4,851	4,932	4,977
Employment-population ratio[2]	47.7	51.3	51.6	47.5	50.1	50.2	50.3	51.1	51.4
Unemployed	787	740	673	846	771	697	750	772	726
Unemployment rate	14.9	13.0	11.9	15.9	13.8	12.6	13.4	13.5	12.7
Both sexes, 16 to 19 years									
Civilian labor force	723	793	773	789	835	847	868	843	841
Participation rate	32.9	37.1	36.2	35.9	38.8	39.5	40.5	39.4	39.4
Employed	375	460	448	412	490	492	519	496	487
Employment-population ratio[2]	17.1	21.5	21.0	18.8	22.8	22.9	24.2	23.2	22.8
Unemployed	348	332	325	377	345	355	349	347	354
Unemployment rate	48.1	41.9	42.0	47.8	41.3	41.9	40.2	41.2	42.1
Men	47.9	42.8	46.3	45.0	40.5	41.0	43.8	42.0	43.4
Women	48.3	40.9	37.2	50.8	42.2	43.0	36.2	40.2	40.1
HISPANIC ORIGIN									
Civilian noninstitutional population	9,735	9,901	9,959	9,735	9,785	9,713	9,794	9,901	9,959
Civilian labor force	6,156	6,398	6,427	6,256	6,302	6,345	6,342	6,449	6,529
Participation rate	63.2	64.6	64.5	64.3	64.4	65.3	64.8	65.1	65.6
Employed	5,466	5,755	5,793	5,535	5,633	5,675	5,662	5,799	5,865
Employment-population ratio[2]	56.1	58.1	58.2	56.9	57.6	58.4	57.8	58.6	58.9
Unemployed	690	643	634	721	669	670	680	650	664
Unemployment rate	11.2	10.1	9.9	11.5	10.6	10.6	10.7	10.1	10.2

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[1] The population figures are not adjusted for seasonal variation; therefore, identical numbers appear in the unadjusted and seasonally adjusted columns.

[2] Civilian employment as a percent of the civilian noninstitutional population.

NOTE: Detail for the above race and Hispanic origin groups will not sum to totals because data for the "other races" group are not presented and Hispanics are included in both the white and black population groups. Seasonally adjusted data have been revised based on the experience through December 1984.

Table A-4. Selected employment indicators

(Numbers in thousands)

Category	Not seasonally adjusted			Seasonally adjusted					
	Dec. 1983	Nov. 1984	Dec. 1984	Dec. 1983	Aug. 1984	Sept. 1984	Oct. 1984	Nov. 1984	Dec. 1984
CHARACTERISTIC									
Civilian employed, 16 years and over	101,093	106,246	106,349	101,029	105,148	105,398	105,649	105,932	106,273
Married men, spouse present	39,193	39,427	39,296	39,523	39,373	39,371	39,054	39,337	39,443
Married women, spouse present	25,433	26,501	26,452	25,121	25,772	25,715	25,997	25,935	26,122
Women who maintain families	5,248	5,333	5,394	5,331	5,496	5,429	5,379	5,396	5,396
MAJOR INDUSTRY AND CLASS OF WORKER									
Agriculture:									
Wage and salary workers	1,249	1,482	1,432	1,509	1,453	1,565	1,511	1,593	1,733
Self-employed workers	1,534	1,555	1,403	1,590	1,562	1,555	1,487	1,555	1,493
Unpaid family workers	199	190	173	240	209	195	187	204	212
Nonagricultural industries:									
Wage and salary workers	91,756	94,931	94,968	91,531	93,640	94,140	94,415	94,442	94,725
Government	15,694	15,918	15,987	15,547	15,758	15,881	15,997	15,785	15,858
Private industries	76,066	79,013	78,981	75,984	77,922	78,259	78,419	78,657	78,867
Private households	1,230	1,231	1,256	1,232	1,199	1,198	1,213	1,228	1,257
Other industries	74,836	77,782	77,725	74,752	76,723	77,061	77,205	77,429	77,610
Self-employed workers	7,641	7,731	7,724	7,715	7,407	7,752	7,742	7,731	7,786
Unpaid family workers	417	353	345	434	321	318	314	357	357
PERSONS AT WORK[1]									
Nonagricultural industries	96,403	99,145	99,619	94,149	96,757	96,540	96,767	96,819	97,311
Full-time schedules	77,112	80,076	80,259	76,020	78,676	78,403	78,592	78,754	79,943
Part time for economic reasons	5,536	5,264	5,472	5,677	5,334	5,459	5,493	5,413	5,596
Usually work full time	1,676	1,551	1,640	1,662	1,702	1,649	1,622	1,596	1,625
Usually work part time	3,860	3,713	3,832	4,010	3,632	3,810	3,870	3,815	3,965
Part time for noneconomic reasons	13,757	13,855	13,887	12,656	12,747	12,669	12,673	12,679	12,778

[1] Excludes persons "with a job but not at work" during the survey period for such reasons as vacation, illness, or industrial dispute.

NOTE: Seasonally adjusted data have been revised based on the experience through December 1984.

Table A-5. Range of unemployment measures based on varying definitions of unemployment and the labor force, seasonally adjusted

(Percent)

Measure	Quarterly averages					Monthly data		
	1983	1984				1984		
	IV	I	II	III	IV	Oct.	Nov.	Dec.
U-1 Persons unemployed 15 weeks or longer as a percent of the civilian labor force	3.1	2.7	2.4	2.3	2.1	2.2	2.1	2.1
U-2 Job losers as a percent of the civilian labor force	4.7	4.2	3.9	3.9	3.7	3.7	3.6	3.6
U-3 Unemployed persons 25 years and over as a percent of the civilian labor force	6.0	6.1	5.9	5.7	5.6	5.7	5.5	5.6
U-4 Unemployed full-time jobseekers as a percent of the full-time civilian labor force	8.3	7.6	7.2	7.1	7.0	7.1	6.9	6.9
U-5a Total unemployed as a percent of the labor force, including the resident Armed Forces	8.4	7.9	7.4	7.3	7.1	7.2	7.0	7.1
U-5b Total unemployed as a percent of the civilian labor force	8.5	7.9	7.5	7.4	7.2	7.3	7.1	7.2
U-6 Total full-time jobseekers plus ½ part-time jobseekers plus ½ total on part time for economic reasons as a percent of the civilian labor force less ½ of the part-time labor force	11.2	10.4	9.9	9.9	9.7	9.8	9.6	9.7
U-7 Total full-time jobseekers plus ½ part-time jobseekers plus ½ total on part time for economic reasons plus discouraged workers as a percent of the civilian labor force plus discouraged workers less ½ of the part-time labor force	12.4	11.6	11.0	10.9	10.8	N.A.	N.A.	N.A.

N.A. = not available.

NOTE: Data have been revised based on the experience through December 1984.

Table A-6. Selected unemployment indicators, seasonally adjusted

Category	Number of unemployed persons (in thousands)			Unemployment rates[1]					
	Dec. 1983	Nov. 1984	Dec. 1984	Dec. 1983	Aug. 1984	Sept. 1984	Oct. 1984	Nov. 1984	Dec. 1984
CHARACTERISTIC									
Total, 16 years and over	[illegible]	8,192	8,193	8.2	7.5	7.4	7.3	7.1	7.2
Men, 16 years and over	[illegible]	4,533	[illegible]	8.1	7.2	7.2	7.1	7.1	7.1
Men, 20 years and over	4,142	3,725	3,753	7.4	6.4	6.4	6.2	6.2	6.3
Women, 16 years and over	[illegible]	3,640	3,628	8.1	7.4	7.5	7.7	7.3	7.7
Women, 20 years and over	3,227	[illegible]	2,982	7.2	7.0	6.6	6.9	6.5	6.4
Both sexes, 16 to 19 years	[illegible]	[illegible]	[illegible]	19.9	18.4	19.0	18.7	17.9	18.8
Married men, spouse present	2,110	[illegible]	[illegible]	5.2	4.3	4.6	4.5	4.4	4.4
Married women, spouse present	1,649	1,443	1,479	5.2	5.8	5.7	5.7	5.4	5.4
Women who maintain families	646	[illegible]	572	10.9	10.3	10.1	10.4	10.[illegible]	9.6
Full-time workers	7,679	[illegible]	6,811	[illegible]	7.1	7.1	7.1	6.9	6.9
Part-time workers	[illegible]	1,364	1,336	9.7	9.6	9.3	9.1	8.5	8.8
Labor force time lost[2]	--	--	--	9.4	8.5	8.5	8.4	8.2	8.3
INDUSTRY									
Nonagricultural private wage and salary workers	[illegible]	[illegible]	[illegible]	8.1	7.4	7.3	7.2	7.2	[illegible]
Mining	[illegible]	117	111	12.[illegible]	13.2	8.6	10.5	11.7	10.7
Construction	603	[illegible]	[illegible]	16.1	14.1	11.0	13.7	14.2	11.7
Manufacturing	[illegible]	[illegible]	[illegible]	[illegible]	7.3	7.4	7.3	7.2	7.2
Durable goods	[illegible]	[illegible]	913	8.1	[illegible]	6.9	6.9	7.0	7.1
Nondurable goods	749	673	649	[illegible]	[illegible]	8.1	7.6	7.4	7.2
Transportation and public utilities	370	376	303	[illegible]	5.9	5.6	5.3	5.2	5.0
Wholesale and retail trade	[illegible]	1,647	1,678	8.2	7.7	8.1	7.9	7.6	7.5
Finance and service industries	[illegible]	[illegible]	1,557	6.5	6.0	5.6	5.7	[illegible]	5.9
Government workers	[illegible]	735	733	4.9	4.4	4.5	4.4	4.1	4.4
Agricultural wage and salary workers	[illegible]	[illegible]	241	15.3	11.1	14.7	11.7	11.2	12.[illegible]

[1] Unemployment as a percent of the civilian labor force.

[2] Aggregate hours lost by the unemployed and persons on part time for economic reasons as a percent of potentially available labor force hours.

NOTE: Data have been revised based on the experience through December 1984.

Table A-7. Duration of unemployment

(Numbers in thousands)

Weeks of unemployment	Not seasonally adjusted			Seasonally adjusted					
	Dec. 1983	Nov. 1984	Dec. 1984	Dec. 1983	Aug. 1984	Sept. 1984	Oct. 1984	Nov. 1984	Dec. 1984
DURATION									
Less than 5 weeks	[illegible]	3,323	[illegible]	3,393	3,511	3,313	3,395	3,352	3,282
5 to 14 weeks	[illegible]	2,353	2,647	2,499	2,436	2,533	2,406	2,324	2,516
15 weeks and over	[illegible]	[illegible]	[illegible]	[illegible]	2,621	2,605	2,527	2,428	2,374
15 to 26 weeks	[illegible]	[illegible]	[illegible]	1,276	1,116	1,136	1,093	990	972
27 weeks and over	[illegible]	[illegible]	[illegible]	2,075	1,505	1,499	1,435	1,439	1,402
Average (mean) duration, in weeks	[illegible]	17.3	17.1	19.6	17.6	17.3	16.7	17.4	17.3
Median duration, in weeks	[illegible]	[illegible]	7.6	8.9	[illegible]	7.6	7.3	[illegible]	7.4
PERCENT DISTRIBUTION									
Total unemployed	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Less than 5 weeks	[illegible]	42.2	39.4	38.7	41.1	39.2	40.8	41.4	40.2
5 to 14 weeks	[illegible]	29.9	31.2	27.0	29.2	30.0	28.9	29.7	30.8
15 weeks and over	[illegible]	[illegible]	[illegible]	36.3	30.7	30.8	30.3	30.0	29.1
15 to 26 weeks	[illegible]	11.5	11.5	14.8	13.1	13.1	13.1	12.2	11.9
27 weeks and over	[illegible]	16.5	[illegible]	22.4	17.5	17.7	17.2	17.7	17.2

NOTE: Seasonally adjusted data have been revised based on the experience through December 1984.

Table A-8. Reason for unemployment

(Numbers in thousands)

Reason	Not seasonally adjusted			Seasonally adjusted					
	Dec. 1983	Nov. 1984	Dec. 1984	Dec. 1983	Aug. 1984	Sept. 1984	Oct. 1984	Nov. 1984	Dec. 1984
NUMBER OF UNEMPLOYED									
Job losers	[illegible]	3,571	4,143	5,039	4,227	4,188	4,261	4,133	4,176
On layoff	[illegible]	947	1,157	1,324	1,146	1,110	1,151	1,060	1,070
Other job losers	[illegible]	[illegible]	[illegible]	3,715	3,081	3,078	3,110	3,073	3,106
Job leavers	[illegible]	[illegible]	797	816	833	881	829	869	859
Reentrants	[illegible]	2,130	2,028	2,205	2,294	2,254	2,150	2,161	2,214
New entrants	[illegible]	896	823	1,171	1,087	1,057	1,060	1,024	1,011
PERCENT DISTRIBUTION									
Total unemployed	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Job losers	[illegible]	50.1	54.4	54.5	50.1	50.2	51.3	50.5	50.5
On layoff	15.6	12.5	14.5	14.1	13.6	13.3	13.9	13.0	12.9
Other job losers	[illegible]	38.0	39.9	[illegible]	36.5	36.9	37.5	37.5	37.6
Job leavers	[illegible]	11.1	[illegible]	9.0	9.9	10.1	10.0	10.6	11.4
Reentrants	[illegible]	[illegible]	25.4	23.9	27.2	27.0	25.9	26.4	26.8
New entrants	[illegible]	11.4	10.3	12.6	12.9	12.7	12.8	12.5	12.2
UNEMPLOYED AS A PERCENT OF THE CIVILIAN LABOR FORCE									
Job losers	4.7	3.5	3.9	4.5	3.7	3.7	3.7	3.6	3.6
Job leavers	.7	.8	.7	.7	.7	.7	.7	.8	.7
Reentrants	1.9	1.9	1.8	2.0	2.0	2.0	1.9	1.9	1.9
New entrants	.9	.8	.7	1.0	1.0	.9	.9	.9	.9

NOTE: Seasonally adjusted data have been revised based on the experience through December 1984.

Table A-9. Unemployed persons by sex and age, seasonally adjusted

Sex and age	Number of unemployed persons (in thousands)			Unemployment rates[1]					
	Dec. 1983	Nov. 1984	Dec. 1984	Dec. 1983	Aug. 1984	Sept. 1984	Oct. 1984	Nov. 1984	Dec. 1984
Total, 16 years and over	[illegible]	[illegible]	[illegible]	8.2	7.5	7.4	7.1	7.1	7.2
16 to 24 years	[illegible]	[illegible]	[illegible]	14.9	13.5	13.9	13.5	13.2	13.5
16 to 19 years	[illegible]	[illegible]	[illegible]	19.9	18.4	19.3	18.7	17.9	18.8
16 to 17 years	[illegible]	[illegible]	646	22.7	21.1	20.3	20.2	20.5	21.6
18 to 19 years	[illegible]	837	854	19.7	16.7	17.7	17.8	16.8	17.7
20 to 24 years	1,953	1,757	1,750	12.1	11.7	11.4	11.0	10.9	11.5
25 years and over	[illegible]	4,909	4,965	6.4	5.7	5.8	5.7	5.5	5.5
25 to 54 years	4,543	[illegible]	4,354	6.8	6.0	5.9	5.9	5.4	5.6
55 years and over	[illegible]	640	613	4.3	4.1	4.5	4.7	4.8	4.1
Men, 16 years and over	[illegible]	[illegible]	4,542	8.3	7.2	7.2	7.1	7.0	7.1
16 to 24 years	[illegible]	1,715	1,789	15.6	14.3	14.6	13.8	13.7	14.1
16 to 19 years	[illegible]	777	801	20.1	18.8	19.7	19.9	18.9	19.4
16 to 17 years	174	323	370	23.5	22.2	21.3	21.3	23.1	19.6
18 to 19 years	[illegible]	417	[illegible]	19.8	16.6	18.7	18.9	16.3	19.3
20 to 24 years	[illegible]	[illegible]	[illegible]	13.4	12.1	12.2	10.9	11.2	11.6
25 years and over	[illegible]	[illegible]	[illegible]	6.5	5.5	5.5	5.4	5.4	5.4
25 to 54 years	[illegible]	[illegible]	[illegible]	[illegible]	5.7	5.6	5.8	5.6	5.8
55 years and over	[illegible]	[illegible]	384	5.2	4.6	4.8	4.7	4.7	4.4
Women, 16 years and over	[illegible]	[illegible]	[illegible]	8.1	7.8	7.5	7.7	7.1	7.4
16 to 24 years	[illegible]	[illegible]	1,441	14.0	13.5	13.2	13.2	12.6	12.8
16 to 19 years	741	673	677	19.4	18.1	18.3	17.4	16.6	18.1
16 to 17 years	[illegible]	294	328	21.8	20.3	20.9	19.0	19.7	22.3
18 to 19 years	443	343	358	18.5	16.7	16.6	16.5	15.1	16.0
20 to 24 years	[illegible]	745	764	11.2	11.1	10.5	11.1	10.7	10.2
25 years and over	[illegible]	[illegible]	[illegible]	6.3	6.1	5.9	6.3	5.7	5.8
25 to 54 years	[illegible]	1,578	1,961	6.8	6.5	6.2	6.2	6.1	6.0
55 years and over	[illegible]	[illegible]	227	4.8	4.3	4.3	4.5	3.5	3.7

[1] Unemployment as a percent of the civilian labor force

NOTE: Data have been revised based on the experience through December 1984.

Table A-10. Employment status of black and other workers

(Numbers in thousands)

Employment status	Not seasonally adjusted			Seasonally adjusted[1]					
	Dec. 1983	Nov. 1984	Dec. 1984	Dec. 1983	Aug. 1984	Sept. 1984	Oct. 1984	Nov. 1984	Dec. 1984
Civilian noninstitutional population	23,637	24,477	24,572	23,637	24,181	24,292	24,351	24,477	24,572
Civilian labor force	14,442	15,425	15,429	14,561	15,262	15,265	15,404	15,468	15,540
Participation rate	61.1	63.0	62.8	61.6	63.1	62.8	63.3	63.2	63.2
Employed	12,174	13,422	13,399	12,196	13,086	13,158	13,285	13,356	13,420
Employment-population ratio[2]	51.5	54.8	54.5	51.6	54.1	54.2	54.6	54.6	54.6
Unemployed	2,268	2,003	2,030	2,365	2,176	2,107	2,119	2,112	2,120
Unemployment rate	15.7	13.0	13.2	16.2	14.3	13.8	13.8	13.7	13.6
Not in labor force	9,195	9,052	9,143	9,076	8,919	9,027	8,947	9,009	9,032

[1] The population figures are not adjusted for seasonal variation; therefore, identical numbers appear in the unadjusted and seasonally adjusted columns.

[2] Civilian employment as a percent of the civilian noninstitutional population.

NOTE: Seasonally adjusted data have been revised based on the experience through December 1984.

Table A-11. Occupational status of the employed and unemployed, not seasonally adjusted

(Numbers in thousands)

Occupation	Civilian employed		Unemployed		Unemployment rate	
	Dec. 1983	Dec. 1984	Dec. 1983	Dec. 1984	Dec. 1983	Dec. 1984
Total, 16 years and over[1]	103,403	106,049	8,992	7,973	8.0	7.0
Managerial and professional specialty	24,735	25,431	634	583	2.5	2.2
Executive, administrative, and managerial	11,094	11,949	307	264	2.7	2.2
Professional specialty	13,641	13,482	327	319	2.4	2.3
Technical, sales, and administrative support	32,038	32,903	1,767	1,578	5.2	4.6
Technicians and related support	3,124	3,276	108	117	3.3	3.5
Sales occupations	12,507	12,872	723	644	5.5	4.8
Administrative support, including clerical	16,407	16,755	936	817	5.4	4.7
Service occupations	14,170	14,340	1,512	1,327	9.6	8.5
Private household	1,030	1,080	101	68	8.9	5.9
Protective service	1,692	1,716	106	89	5.9	4.9
Service, except private household and protective	11,447	11,544	1,305	1,170	10.2	9.2
Precision production, craft, and repair	12,741	13,270	1,168	934	8.4	6.6
Mechanics and repairers	4,305	4,463	255	165	5.6	3.6
Construction trades	4,400	4,723	615	533	12.3	10.1
Other precision production, craft, and repair	4,036	4,084	298	236	6.8	5.5
Operators, fabricators, and laborers	16,576	16,957	2,467	2,245	13.0	11.7
Machine operators, assemblers, and inspectors	7,917	7,956	1,121	949	12.4	10.7
Transportation and material moving occupations	4,313	4,481	529	479	10.9	9.7
Handlers, equipment cleaners, helpers, and laborers	4,346	4,520	817	817	15.8	15.3
Construction laborers	619	598	201	217	24.5	26.6
Other handlers, equipment cleaners, helpers, and laborers	3,727	3,922	616	600	14.2	13.3
Farming, forestry, and fishing	3,092	3,148	420	423	12.0	11.8

[1] Persons with no previous work experience and those whose last job was in the Armed Forces are included in the unemployed total.

Table A-12. Employment status of male Vietnam-era veterans and nonveterans by age, not seasonally adjusted

(Numbers in thousands)

Veteran status and age	Civilian noninstitutional population		Civilian labor force							
			Total		Employed		Unemployed			
							Number		Percent of labor force	
	Dec. 1983	Dec. 1984	Dec. 1983	Dec. 1984	Dec. 1983	Dec. 1984	Dec. 1983	Dec. 1984	Dec. 1983	Dec. 1984
VETERANS										
Total, 25 years and over	7,901	7,946	7,382	7,425	6,868	7,006	514	419	7.0	5.6
25 to 39 years	5,712	5,332	5,477	5,107	5,072	4,793	405	314	7.4	6.1
25 to 29 years	593	378	561	357	493	310	68	47	12.1	13.2
30 to 34 years	1,964	1,531	1,867	1,466	1,707	1,341	160	125	8.6	8.5
35 to 39 years	3,155	3,423	3,049	3,284	2,872	3,142	177	142	5.8	4.3
40 years and over	2,189	2,614	1,905	2,318	1,796	2,213	109	105	5.7	4.5
NONVETERANS										
Total, 25 to 39 years	21,456	21,634	19,275	20,373	17,823	19,105	1,452	1,268	7.5	6.2
25 to 29 years	9,802	9,066	8,222	8,472	7,500	7,864	722	608	8.8	7.2
30 to 34 years	7,042	7,602	6,667	7,309	6,213	6,864	454	445	6.8	6.1
35 to 39 years	4,612	4,966	4,386	4,592	4,110	4,377	276	215	6.3	4.7

NOTE: Male Vietnam-era veterans are men who served in the Armed Forces between August 5, 1964 and May 7, 1975. Nonveterans are men who have never served in the Armed Forces; published data are limited to those 25 to 39 years of age, the group that most closely corresponds to the bulk of the Vietnam-era veteran population.

Table A-13. Persons not in labor force by reason, sex, and race, quarterly averages

(In thousands)

Reason, sex, and race		Not seasonally adjusted		Seasonally adjusted				
		1983	1984	1983	1984			
		IV	IV	IV	I	II	III	IV
TOTAL								
Total not in labor force		62,956	63,001	62,850	63,029	62,611	62,841	62,948
Do not want a job now		56,953	57,100	56,565	56,809	56,539	57,163	56,799
Current activity	Going to school	8,356	8,097	6,584	6,646	6,456	6,493	6,393
	Ill, disabled	3,788	3,715	3,856	4,088	4,072	4,033	3,766
	Keeping house	28,331	27,749	28,501	28,384	27,960	27,972	27,910
	Retired	12,898	14,008	13,178	13,446	13,662	13,687	14,313
	Other	3,579	3,531	4,446	4,244	4,384	4,516	4,397
Want a job now		6,003	5,901	6,276	6,242	5,956	5,936	6,140
Reason not looking	School attendance	1,481	1,436	1,534	1,555	1,608	1,509	1,483
	Ill health, disability	667	887	833	732	803	815	847
	Home responsibilities	1,259	1,261	1,381	1,455	1,209	1,416	1,382
	Think cannot get a job	1,387	1,254	1,447	1,350	1,275	1,211	1,303
	Job-market factors[1]	969	870	1,044	935	928	885	935
	Personal factors[2]	418	384	404	411	348	326	366
	Other reasons[3]	1,010	1,062	1,080	1,107	1,060	985	1,126
Men								
Total not in labor force		19,958	20,145	19,611	19,746	19,742	19,810	19,847
Do not want a job now		17,934	18,227	17,485	17,686	17,646	17,827	17,761
Want a job now		2,024	1,920	2,103	2,047	2,037	1,951	2,020
Reason not looking	School attendance	792	717	820	816	798	760	734
	Ill health, disability	384	417	373	352	356	387	402
	Think cannot get a job	537	447	600	496	504	464	502
	Other reasons[3]	312	339	351	364	379	340	382
Women								
Total not in labor force		42,998	42,855	43,239	43,283	42,869	43,032	43,102
Do not want a job now		39,019	38,874	39,080	39,123	38,889	39,278	39,038
Want a job now		3,979	3,981	4,133	4,155	3,919	3,985	4,120
Reason not looking	School attendance	689	719	715	739	810	749	748
	Ill health, disability	483	470	461	380	447	428	445
	Home responsibilities	1,259	1,261	1,381	1,459	1,209	1,416	1,382
	Think cannot get a job	850	807	847	854	771	747	801
	Other reasons	658	724	729	723	681	645	744
White								
Total not in labor force		53,800	53,965	53,707	54,005	53,615	53,961	53,911
Do not want a job now		49,417	49,727	49,202	49,547	49,382	49,561	49,529
Want a job now		4,383	4,238	4,505	4,474	4,221	4,271	4,386
Reason not looking	School attendance	1,042	1,001	1,101	1,089	1,108	1,057	1,053
	Ill health, disability	557	641	609	555	553	598	596
	Home responsibilities	947	983	1,019	1,089	870	1,040	1,050
	Think cannot get a job	936	743	977	889	822	800	775
	Other reasons	801	870	863	852	868	776	914
Black								
Total not in labor force		7,482	7,275	7,425	7,406	7,361	7,285	7,218
Do not want a job now		6,030	5,802	5,947	5,885	5,813	5,809	5,723
Want a job now		1,451	1,472	1,531	1,572	1,504	1,474	1,547
Reason not looking	School attendance	409	376	409	409	420	355	374
	Ill health, disability	190	233	186	164	220	223	220
	Home responsibilities	266	244	322	343	284	384	295
	Think cannot get a job	418	466	440	406	404	364	491
	Other reasons	168	153	174	249	177	165	163

[1] Job market factors include "could not find job" and "thinks no job available."

[2] Personal factors include "employers think too young or old," "lacks education or training," and other personal handicap.

[3] Includes small number of men not looking for work because of home responsibilities.

NOTE: Seasonally adjusted data have been revised based on the experience through December 1984.

Table A-14. Employment status of the civilian population for ten large States

(Numbers in thousands)

State and employment status	Not seasonally adjusted[1]			Seasonally adjusted[2]					
	Dec. 1983	Nov. 1984	Dec. 1984	Dec. 1983	Aug. 1984	Sept. 1984	Oct. 1984	Nov. 1984	Dec. 1984
California									
Civilian noninstitutional population	18,954	19,260	19,288	18,954	19,169	19,199	19,230	19,260	19,288
Civilian labor force	12,400	12,753	12,744	12,389	12,665	12,690	12,724	12,708	12,735
Employed	11,408	11,844	11,862	11,388	11,697	11,641	11,775	11,781	11,843
Unemployed	993	909	881	1,001	968	1,049	949	927	892
Unemployment rate	8.0	7.1	6.9	8.1	7.6	8.3	7.5	7.3	7.0
Florida									
Civilian noninstitutional population	8,435	8,644	8,663	8,435	8,584	8,604	8,624	8,644	8,663
Civilian labor force	5,101	5,144	5,188	5,097	5,084	5,109	5,066	5,099	5,175
Employed	4,719	4,824	4,872	4,717	4,765	4,804	4,740	4,806	4,872
Unemployed	382	320	316	380	319	305	326	293	303
Unemployment rate	7.5	6.2	6.1	7.5	6.3	6.0	6.4	5.7	5.9
Illinois									
Civilian noninstitutional population	8,586	8,608	8,610	8,586	8,598	8,601	8,605	8,608	8,610
Civilian labor force	5,514	5,640	5,626	5,540	5,497	5,547	5,625	5,627	5,668
Employed	4,994	5,184	5,145	5,008	5,018	5,063	5,096	5,147	5,166
Unemployed	520	456	481	532	479	484	529	480	502
Unemployment rate	9.4	8.1	8.6	9.6	8.7	8.7	9.4	8.5	8.9
Massachusetts									
Civilian noninstitutional population	4,497	4,521	4,524	4,497	4,513	4,51	4,519	4,521	4,524
Civilian labor force	3,031	3,075	3,057	3,017	3,038	3,052	3,033	3,046	3,049
Employed	2,855	2,971	2,937	2,823	2,883	2,914	2,920	2,915	2,916
Unemployed	176	104	120	194	155	138	113	131	133
Unemployment rate	5.8	3.4	3.9	6.4	5.1	4.5	3.7	4.3	4.4
Michigan									
Civilian noninstitutional population	6,737	6,720	6,719	6,737	6,722	6,721	6,721	6,720	6,719
Civilian labor force	4,216	4,329	4,273	4,241	4,334	4,322	4,358	4,386	4,331
Employed	3,714	3,866	3,821	3,748	3,862	3,843	3,881	3,888	3,876
Unemployed	501	463	452	493	472	479	477	498	455
Unemployment rate	11.9	10.7	10.6	11.6	10.9	11.1	10.9	11.4	10.5
New Jersey									
Civilian noninstitutional population	5,772	5,815	5,819	5,772	5,801	5,806	5,811	5,815	5,819
Civilian labor force	3,758	3,722	3,734	3,762	3,807	3,804	3,788	3,723	3,747
Employed	3,512	3,522	3,533	3,503	3,573	3,569	3,560	3,510	3,534
Unemployed	246	200	201	259	234	235	228	213	213
Unemployment rate	6.5	5.4	5.4	6.9	6.1	6.2	6.0	5.7	5.7
New York									
Civilian noninstitutional population	13,599	13,659	13,665	13,599	13,637	13,644	13,652	13,659	13,665
Civilian labor force	7,951	8,166	8,205	8,056	8,062	8,072	8,203	8,252	8,306
Employed	7,397	7,619	7,673	7,455	7,438	7,507	7,589	7,667	7,728
Unemployed	554	547	532	601	624	565	614	585	578
Unemployment rate	7.0	6.7	6.5	7.5	7.7	7.0	7.5	7.1	7.0
Ohio									
Civilian noninstitutional population	8,050	8,054	8,055	8,050	8,050	8,051	8,053	8,054	8,055
Civilian labor force	5,040	5,106	5,095	5,097	5,100	5,145	5,133	5,080	5,144
Employed	4,513	4,651	4,625	4,561	4,598	4,670	4,643	4,637	4,675
Unemployed	528	455	469	536	502	475	490	443	469
Unemployment rate	10.5	8.9	9.2	10.5	9.8	9.2	9.5	8.7	9.1
Pennsylvania									
Civilian noninstitutional population	9,196	9,223	9,226	9,196	9,212	9,215	9,219	9,223	9,226
Civilian labor force	5,508	5,591	5,544	5,519	5,451	5,483	5,486	5,503	5,534
Employed	4,947	5,136	5,139	4,943	4,885	4,962	4,995	5,026	5,127
Unemployed	562	455	405	576	566	521	491	477	407
Unemployment rate	10.2	8.1	7.3	10.4	10.4	9.5	9.0	8.7	7.4
Texas									
Civilian noninstitutional population	11,402	11,694	11,722	11,402	11,610	11,638	11,667	11,694	11,722
Civilian labor force	7,731	7,984	8,049	7,743	8,036	8,058	8,047	7,991	8,078
Employed	7,182	7,549	7,597	7,146	7,581	7,608	7,591	7,537	7,580
Unemployed	548	435	452	597	455	450	456	454	498
Unemployment rate	7.1	5.4	5.6	7.7	5.7	5.6	5.7	5.7	6.2

[1] These are the official Bureau of Labor Statistics estimates used in the administration of Federal fund allocation programs.

[2] The population figures are not adjusted for seasonal variation; therefore, identical numbers appear in the unadjusted and the seasonally adjusted columns.

NOTE: Revised seasonal factors are not yet available for States. The seasonally adjusted series will be revised for the release of January data on February 1.

Table B-1. Employees on nonagricultural payrolls by industry

(In thousands)

Industry	Not seasonally adjusted				Seasonally adjusted					
	Dec. 1983	Oct. 1984	Nov. 1984 p	Dec. 1984 p	Dec. 1983	Aug. 1984	Sept. 1984	Oct. 1984	Nov. 1984 p	Dec. 1984 p
Total	92,645	95,899	96,252	96,431	92,026	94,523	94,807	95,154	95,489	95,774
Total private	76,560	79,686	79,884	80,090	76,157	78,566	78,698	79,054	79,368	79,650
Goods-producing	24,104	25,514	25,358	25,144	24,198	25,097	25,010	25,080	25,113	25,228
Mining	989	1,012	1,012	1,005	969	1,017	1,020	1,012	1,009	1,005
Oil and gas extraction	633.0	643.8	642.0	649.0	607	636	642	643	648	647
Construction	4,030	4,645	4,564	4,403	4,086	4,355	4,374	4,382	4,393	4,487
General building contractors	1,071.5	1,196.0	1,179.5	1,153.4	1,077	1,132	1,140	1,140	1,144	1,150
Manufacturing	19,085	19,857	19,782	19,736	19,143	19,725	19,616	19,686	19,711	19,736
Production workers	13,087	13,855	13,546	13,522	13,145	13,558	13,448	13,497	13,502	13,584
Durable goods	11,232	11,822	11,748	11,740	11,266	11,758	11,696	11,752	11,772	11,825
Production workers	7,550	7,978	7,945	7,935	7,585	7,945	7,876	7,915	7,921	7,979
Lumber and wood products	631.5	723.5	710.2	659.1	698	706	703	710	713	717
Furniture and fixtures	473.6	492.2	498.8	496.2	479	484	481	487	492	491
Stone, clay, and glass products	582.6	615.6	613.5	623.2	592	603	603	606	607	613
Primary metal industries	855.3	859.6	856.5	851.1	877	875	865	866	865	861
Blast furnaces and basic steel products	346.1	318.2	315.0	316.3	352	333	324	323	320	321
Fabricated metal products	1,430.1	1,505.2	1,502.8	1,522.1	1,431	1,491	1,485	1,495	1,497	1,505
Machinery, except electrical	2,125.6	2,253.6	2,247.9	2,256.9	2,122	2,252	2,243	2,255	2,250	2,257
Electrical and electronic equipment	2,133.5	2,290.3	2,278.5	2,280.7	2,132	2,267	2,263	2,263	2,274	2,291
Transportation equipment	1,852.3	1,960.8	1,968.0	1,979.4	1,855	1,961	1,939	1,945	1,954	1,968
Motor vehicles and equipment	858.6	893.2	904.5	952.9	843	844	864	865	877	901
Instruments and related products	707.7	729.5	731.8	733.5	707	726	726	729	731	737
Miscellaneous manufacturing	373.6	401.2	395.8	388.5	392	395	388	390	388	387
Nondurable goods	7,853	8,035	8,034	7,996	7,877	7,967	7,920	7,934	7,939	7,911
Production workers	5,537	5,877	5,601	5,587	5,560	5,613	5,572	5,582	5,581	5,605
Food and kindred products	1,614.3	1,697.8	1,668.4	1,642.2	1,631	1,642	1,630	1,640	1,645	1,677
Tobacco manufactures	69.9	74.2	69.6	66.6	67	65	65	62	64	61
Textile mill products	753.8	731.5	734.9	732.5	762	751	744	735	731	733
Apparel and other textile products	1,192.5	1,198.3	1,185.1	1,176.7	1,202	1,203	1,181	1,178	1,177	1,180
Paper and allied products	674.5	685.5	684.1	680.4	675	677	680	684	683	684
Printing and publishing	1,329.2	1,380.4	1,390.7	1,397.2	1,321	1,371	1,375	1,380	1,387	1,389
Chemicals and allied products	1,048.5	1,063.6	1,062.7	1,064.0	1,052	1,067	1,063	1,065	1,065	1,067
Petroleum and coal products	172.6	187.6	186.0	183.7	191	187	186	185	185	185
Rubber and miscellaneous plastics products	750.9	834.4	808.6	806.2	766	803	798	805	809	813
Leather and leather products	208.2	196.8	195.0	188.9	210	193	194	193	191	192
Service-producing	68,541	70,385	70,894	71,287	67,828	69,425	69,797	70,074	70,376	70,546
Transportation and public utilities	5,080	5,272	5,254	5,265	5,055	5,202	5,213	5,225	5,224	5,234
Transportation	2,802	2,998	2,983	2,993	2,776	2,924	2,937	2,951	2,953	2,964
Communication and public utilities	2,278	2,274	2,271	2,272	2,279	2,278	2,276	2,274	2,271	2,270
Wholesale trade	5,379	5,637	5,642	5,660	5,371	5,544	5,588	5,612	5,623	5,653
Durable goods	3,147	3,308	3,315	3,338	3,147	3,278	3,293	3,301	3,316	3,338
Nondurable goods	2,232	2,329	2,327	2,322	2,224	2,266	2,295	2,311	2,307	2,315
Retail trade	16,417	16,534	16,872	17,233	15,857	16,295	16,342	16,469	16,639	16,650
General merchandise stores	2,491.6	2,341.7	2,519.5	2,701.2	2,389	2,307	2,318	2,334	2,390	2,374
Food stores	2,647.9	2,634.6	2,723.6	2,753.9	2,600	2,640	2,648	2,677	2,697	2,705
Automotive dealers and service stations	1,705.0	1,770.4	1,771.0	1,770.7	1,710	1,758	1,755	1,763	1,771	1,773
Eating and drinking places	5,057.9	5,316.2	5,274.2	5,259.3	5,095	5,238	5,255	5,280	5,306	5,327
Finance, insurance, and real estate	5,534	5,702	5,717	5,736	5,546	5,679	5,684	5,705	5,728	5,748
Finance	2,797	2,868	2,882	2,899	2,789	2,850	2,856	2,865	2,876	2,890
Insurance	1,729	1,770	1,775	1,782	1,730	1,763	1,766	1,774	1,779	1,784
Real estate	1,008	1,064	1,060	1,055	1,027	1,066	1,062	1,066	1,073	1,074
Services	20,046	21,027	21,041	21,052	20,130	20,749	20,861	20,964	21,041	21,137
Business services	3,766.9	4,155.4	4,177.4	4,190.4	3,758	4,067	4,085	4,110	4,140	4,161
Health services	6,018.7	6,073.1	6,104.4	6,116.6	6,026	6,034	6,085	6,087	6.104	6,123
Government	16,085	16,213	16,368	16,341	15,869	15,957	16,109	16,100	16,121	16,124
Federal	2,751	2,773	2,776	2,783	2,762	2,785	2,804	2,790	2,793	2,794
State	3,743	3,801	3,829	3,813	3,669	3,714	3,725	3,719	3,728	3,738
Local	9,591	9,639	9,763	9,745	9,439	9,459	9,580	9,591	9,600	9,592

p = preliminary

Table B-2. Average weekly hours of production or nonsupervisory workers[1] on private nonagricultural payrolls by industry

Industry	Not seasonally adjusted				Seasonally adjusted					
	Dec. 1983	Oct. 1984	Nov. 1984 p	Dec. 1984 p	Dec. 1983	Aug. 1984	Sept. 1984	Oct. 1984	Nov. 1984 p	Dec. 1984 p
Total private	35.5	35.2	35.1	35.5	35.2	35.3	35.4	35.1	35.2	35.3
Mining	43.4	43.2	43.4	43.6	(2)	(2)	(2)	(2)	(2)	(2)
Construction	36.8	38.0	37.4	37.6	(2)	(2)	(2)	(2)	(2)	(2)
Manufacturing	41.2	40.5	40.7	41.3	40.6	40.5	40.6	40.4	40.5	40.7
Overtime hours	3.6	3.4	3.5	3.6	3.4	3.3	3.3	3.3	3.4	3.4
Durable goods	42.0	41.3	41.4	42.2	41.3	41.2	41.5	41.1	41.2	41.5
Overtime hours	3.9	3.6	3.7	3.9	3.5	3.4	3.5	3.5	3.6	3.6
Lumber and wood products	39.9	39.6	39.3	40.2	40.0	39.4	40.2	39.7	39.6	40.4
Furniture and fixtures	41.0	40.2	40.1	40.6	40.1	39.1	39.9	39.6	39.8	39.6
Stone, clay, and glass products	41.9	42.1	42.0	41.7	41.9	41.7	42.0	41.8	41.8	41.7
Primary metal industries	42.2	40.9	41.5	42.1	41.5	41.0	41.7	41.3	41.6	41.7
Blast furnaces and basic steel products	41.4	39.4	40.6	41.0	41.2	39.6	40.0	40.1	41.1	40.9
Fabricated metal products	42.3	41.3	41.3	42.5	41.4	41.1	41.5	41.3	41.1	41.3
Machinery, except electrical	42.5	41.7	42.0	42.8	41.5	42.1	42.0	41.9	41.7	41.8
Electrical and electronic equipment	41.8	40.9	41.2	41.9	41.0	40.9	41.2	40.9	41.0	41.0
Transportation equipment	43.3	42.4	42.7	43.7	42.4	42.4	42.8	42.4	42.4	42.9
Motor vehicles and equipment	44.6	43.1	43.3	44.6	43.9	43.3	43.9	43.3	43.3	44.1
Instruments and related products	41.3	41.1	41.6	42.7	40.9	41.1	41.5	41.2	41.4	42.2
Miscellaneous manufacturing	40.0	39.7	39.7	40.2	(2)	(2)	(2)	(2)	(2)	(2)
Nondurable goods	40.1	39.4	39.6	40.0	39.7	39.5	39.4	39.3	39.5	39.6
Overtime hours	3.3	3.1	3.2	3.1	3.2	3.1	3.0	2.9	3.2	3.1
Food and kindred products	39.9	39.9	39.5	40.3	39.5	39.7	39.6	39.6	39.8	39.4
Tobacco manufactures	37.8	39.5	40.5	40.4	(2)	(2)	(2)	(2)	(2)	(2)
Textile mill products	41.0	39.3	39.4	39.6	40.7	39.4	39.2	38.7	39.1	39.4
Apparel and other textile products	36.7	36.1	36.2	36.3	36.6	36.0	35.9	35.9	36.1	36.3
Paper and allied products	43.9	43.1	43.3	43.9	43.1	43.1	43.1	43.3	43.2	43.2
Printing and publishing	38.4	37.8	38.2	38.3	37.7	37.8	37.9	37.8	38.0	37.8
Chemicals and allied products	42.4	41.6	41.8	42.6	41.9	42.0	41.9	41.6	41.8	42.1
Petroleum and coal products	44.6	43.7	43.6	42.6	44.6	43.5	43.1	43.5	43.4	42.9
Rubber and miscellaneous plastics products	42.4	41.4	41.6	42.0	(2)	(2)	(2)	(2)	(2)	(2)
Leather and leather products	37.3	36.3	36.7	37.4	37.1	36.0	36.5	36.4	36.5	37.2
Transportation and public utilities	39.7	39.2	39.5	39.9	39.4	39.4	39.6	39.1	39.4	39.6
Wholesale trade	38.9	38.7	38.7	39.0	38.6	38.7	38.8	38.6	38.6	38.7
Retail trade	30.8	29.7	29.7	30.3	30.3	29.9	30.0	29.8	29.9	29.9
Finance, insurance, and real estate	36.2	36.5	36.4	36.8	(2)	(2)	(2)	(2)	(2)	(2)
Services	32.6	32.6	32.6	32.7	32.6	32.6	32.6	32.7	32.7	32.7

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[1] Data relate to production workers in mining and manufacturing; to construction workers in construction; and to nonsupervisory workers in transportation and public utilities; wholesale and retail trade; finance, insurance, and real estate; and services. These groups account for approximately four-fifths of the total employees on private nonagricultural payrolls.

[2] This series is not published seasonally adjusted since the seasonal component is small relative to the trend-cycle and/or irregular components and consequently cannot be separated with sufficient precision.

p = preliminary.

Table B-3. Average hourly and weekly earnings of production or nonsupervisory workers[1] on private nonagricultural payrolls by industry

Industry	Average hourly earnings				Average weekly earnings			
	Dec. 1983	Oct. 1984	Nov. 1984p	Dec. 1984 p	Dec. 1983	Oct. 1984	Nov. 1984 p	Dec. 1984 p
Total private	$8.15	$8.40	$8.43	$8.47	$289.63	$295.68	$295.89	$300.69
Seasonally adjusted	8.17	8.38	8.42	8.48	287.59	294.14	296.38	299.34
Mining	11.41	11.52	11.57	11.68	495.19	497.66	502.14	509.25
Construction	12.02	12.14	12.00	12.16	442.34	461.32	448.80	457.22
Manufacturing	9.04	9.22	9.30	9.39	372.45	373.41	378.51	387.81
Durable goods	9.60	9.76	9.83	9.94	403.20	403.09	406.96	419.47
Lumber and wood products	7.80	8.06	8.01	8.04	311.22	320.79	314.79	323.21
Furniture and fixtures	6.78	6.95	6.96	7.00	277.98	279.39	279.10	284.20
Stone, clay, and glass products	9.41	9.63	9.68	9.68	394.28	405.42	405.72	407.66
Primary metal industries	11.35	11.31	11.46	11.54	478.97	463.58	475.59	495.83
Blast furnaces and basic steel products	12.71	12.86	13.02	13.12	526.19	506.68	526.61	537.92
Fabricated metal products	9.35	9.38	9.42	9.54	395.51	387.39	385.05	405.45
Machinery, except electrical	9.95	10.01	10.06	10.19	418.63	417.42	422.52	435.71
Electrical and electronic equipment	8.84	9.09	9.16	9.25	369.51	371.76	377.39	386.65
Transportation equipment	12.04	12.29	12.42	12.58	521.32	521.10	530.33	549.75
Motor vehicles and equipment	12.47	12.81	12.97	13.22	556.16	554.67	561.60	585.61
Instruments and related products	8.65	8.89	8.92	9.00	357.25	365.78	371.97	384.30
Miscellaneous manufacturing	6.95	7.02	7.05	7.13	273.83	276.69	275.89	286.63
Nondurable goods	8.24	8.44	8.52	8.59	330.42	332.54	337.79	343.22
Food and kindred products	8.36	8.33	8.46	8.52	333.56	331.53	337.55	343.36
Tobacco manufactures	10.19	10.35	12.17	11.49	395.18	412.97	492.89	480.36
Textile mill products	6.31	6.49	6.54	6.58	259.71	253.11	267.68	260.57
Apparel and other textile products	5.44	5.59	5.59	5.63	199.65	201.80	202.03	204.37
Paper and allied products	10.24	10.56	10.67	10.80	438.71	455.14	462.01	468.85
Printing and publishing	9.29	9.48	9.54	9.61	354.74	358.34	369.43	369.06
Chemicals and allied products	10.90	11.32	11.37	11.38	462.15	470.91	475.27	494.79
Petroleum and coal products	13.54	13.52	13.70	13.84	623.98	590.82	597.32	581.36
Rubber and miscellaneous plastics products	8.16	8.31	8.28	8.46	345.98	344.03	348.61	355.32
Leather and leather products	5.61	5.71	5.75	5.76	224.25	207.27	211.03	215.47
Transportation and public utilities	11.00	11.22	11.30	11.32	435.70	439.82	446.35	451.67
Wholesale trade	8.74	8.99	9.06	9.16	338.24	347.91	350.62	357.24
Retail trade	5.79	5.88	5.93	5.69	174.37	174.64	176.12	172.47
Finance, insurance, and real estate	7.43	7.67	7.73	7.82	262.97	278.98	281.37	287.78
Services	7.47	7.69	7.74	7.81	244.57	250.69	252.32	255.39

[1] See footnote 1, table B-2

p = preliminary

Table B-4. Hourly Earnings Index for production or nonsupervisory workers[1] on private nonagricultural payrolls by industry

(1977 = 100)

Industry	Not seasonally adjusted					Seasonally adjusted						
	Dec. 1983	Oct. 1984	Nov. 1984p	Dec. 1984p	Percent change from: Dec. 1983-Dec. 1984	Dec. 1983	Aug. 1984	Sept. 1984	Oct. 1984	Nov. 1984p	Dec. 1984p	Percent change from: Nov. 1984-Dec. 1984
Total private nonfarm:												
Current dollars	157.9	161.2	162.2	161.7	3.4	157.8	160.6	161.6	161.1	162.0	163.0	0.6
Constant (1977) dollars	95.0	93.9	94.4	N.A.	(2)	94.9	94.0	94.2	93.9	94.2	N.A.	(3)
Mining	169.7	174.6	176.0	177.1	4.3	(4)	(4)	(4)	(4)	(4)	(4)	(4)
Construction	146.1	148.2	146.5	147.7	1.1	145.4	146.6	146.8	146.3	146.5	147.2	.3
Manufacturing	160.2	163.7	164.6	165.8	3.5	159.7	163.3	163.4	163.8	164.5	165.3	.5
Transportation and public utilities	159.7	163.5	164.4	164.8	3.2	159.1	161.9	163.0	163.0	163.2	164.1	.6
Wholesale trade	161.8	166.5	167.6	169.3	4.7	(4)	(4)	(4)	(4)	(4)	(4)	(4)
Retail trade	151.4	153.8	154.5	154.0	1.7	152.7	153.6	154.0	153.9	154.9	155.1	.2
Finance, insurance, and real estate	161.7	166.4	167.5	169.5	4.8	(4)	(4)	(4)	(4)	(4)	(4)	(4)
Services	159.5	163.5	165.3	166.3	4.3	159.4	162.8	164.7	164.0	164.7	166.2	.9

1 See footnote 1, table B-2.
2 Change was [illegible] December 1983 to November 1984, the latest month available.
3 Percent change was [illegible] October 1984 to November 1984, the latest month available.
4 [illegible] since the seasonal component is small relative to the trend-cycle and/or irregular components [illegible] cannot be separated with sufficient precision.
N.A. = not available.
p = preliminary.

Table B-5. Indexes of aggregate weekly hours of production or nonsupervisory workers[1] on private nonagricultural payrolls by industry

(1977 = 100)

Industry	Not seasonally adjusted				Seasonally adjusted					
	Dec. 1983	Oct. 1984	Nov. 1984 p	Dec. 1984 p	Dec. 1983	Aug. 1984	Sept. 1984	Oct. 1984	Nov. 1984 p	Dec. 1984 p
Total	110.9	114.4	114.6	115.9	107.8	112.7	113.4	113.2	114.0	114.5
Goods-producing	96.9	102.3	101.8	101.5	96.2	101.1	100.0	99.7	100.1	101.0
Mining	111.9	116.7	117.5	117.0	110.4	119.0	113.2	115.8	116.8	116.4
Construction	104.4	126.2	121.5	116.7	105.7	115.6	117.2	116.2	118.0	119.2
Manufacturing	94.6	97.0	96.8	97.9	93.7	96.2	95.8	95.7	95.9	97.0
Durable goods	93.1	96.6	96.6	98.3	92.0	96.0	96.0	95.9	95.9	97.2
Lumber and wood products	92.8	98.4	95.1	95.6	95.6	95.0	96.8	96.2	96.3	95.7
Furniture and fixtures	104.3	106.2	107.3	108.4	101.2	101.3	102.5	103.1	105.2	104.9
Stone, clay, and glass products	85.3	91.5	90.2	87.5	86.5	88.0	88.8	88.2	88.6	89.3
Primary metal industries	72.5	70.2	70.8	71.2	73.0	72.0	71.1	71.4	71.5	71.7
Blast furnaces and basic steel products	62.5	54.2	55.8	56.5	63.5	53.1	56.9	56.3	57.7	57.7
Fabricated metal products	90.2	93.8	93.6	96.2	88.5	93.4	92.7	92.8	92.7	94.6
Machinery, except electrical	91.9	97.0	97.5	100.1	89.5	92.1	97.1	97.9	96.9	97.6
Electrical and electronic equipment	110.1	115.3	115.5	117.1	109.0	114.4	115.3	114.7	115.6	115.0
Transportation equipment	94.1	96.7	97.2	101.0	92.1	97.4	96.8	95.6	95.9	99.2
Motor vehicles and equipment	89.2	96.9	91.5	95.4	88.8	93.1	89.3	88.4	89.8	95.5
Instruments and related products	100.0	109.3	111.0	114.4	100.4	103.5	105.6	103.3	110.4	112.8
Miscellaneous manufacturing	84.6	90.5	89.0	87.0	84.6	86.5	88.1	86.1	86.5	84.5
Nondurable goods	96.3	97.5	97.1	97.3	96.2	96.5	95.6	95.5	95.6	96.7
Food and kindred products	95.7	101.2	99.8	98.8	95.8	97.5	96.5	97.0	97.2	98.5
Tobacco manufactures	94.1	107.4	96.6	94.7	87.1	96.6	93.8	95.6	91.5	87.6
Textile mill products	84.7	76.9	76.2	78.4	84.0	79.5	76.7	76.7	77.0	77.7
Apparel and other textile products	82.1	91.2	90.4	89.4	91.8	90.8	89.2	89.0	89.4	90.9
Paper and allied products	95.6	100.0	100.2	102.1	99.2	100.1	98.9	98.5	99.8	100.5
Printing and publishing	115.5	119.3	120.6	121.2	112.4	117.4	117.9	118.2	119.3	117.5
Chemicals and allied products	96.3	95.3	95.4	97.5	95.5	96.7	95.5	95.6	95.4	96.6
Petroleum and coal products	89.7	87.4	86.5	88.2	89.8	90.1	84.5	85.3	85.3	87.5
Rubber and miscellaneous plastics products	109.6	114.1	114.3	115.1	109.4	113.7	112.2	112.9	114.5	114.9
Leather and leather products	80.6	73.7	73.7	72.4	81.0	73.7	73.5	72.2	71.5	72.4
Service-producing	119.6	121.1	121.7	123.4	116.7	119.7	120.5	120.7	121.6	121.3
Transportation and public utilities	103.7	106.7	107.0	108.7	102.4	104.7	106.0	105.5	106.0	107.2
Wholesale trade	111.7	117.3	117.3	118.4	110.7	114.3	116.1	116.2	116.4	117.0
Retail trade	111.7	113.0	114.4	113.2	109.7	111.1	111.7	111.8	113.5	113.3
Finance, insurance, and real estate	120.4	124.7	124.5	126.3	121.0	124.3	125.4	125.1	125.4	126.9
Services	126.0	134.4	134.3	134.7	128.6	132.4	134.1	134.3	134.7	135.2

[1] See footnote 1, table B-2.

p = preliminary

Table B-6. Indexes of diffusion: Percent of industries in which employment[1] increased

Time span	Year	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Over 1-month span	1982	27.6	47.6	33.7	30.9	41.4	33.3	34.8	32.4	37.1	29.9	32.4	[illegible]
	1983	54.3	46.5	60.8	66.3	69.5	64.6	74.3	68.4	69.7	75.4	69.7	71.9
	1984	71.1	73.2	67.0	63.8	62.1	63.1	62.4	57.4	[illegible]	61.5	[illegible]p	[illegible]p
Over 3-month span	1982	25.1	27.9	28.4	27.1	17.6	28.6	21.5	[illegible]	26.5	23.9	27.9	41.6
	1983	36.8	57.1	64.1	73.1	75.7	77.8	74.1	80.6	80.5	79.9	79.5	77.6
	1984	83.4	80.5	76.5	71.1	68.4	68.9	61.1	54.1	58.6	[illegible]p	47.0p	
Over 6-month span	1982	19.1	22.2	[illegible]	25.4	[illegible]	21.4	25.4	18.9	21.1	27.3	29.[illegible]	15.5
	1983	58.4	63.0	64.2	75.1	80.[illegible]	82.4	84.1	82.6	84.6	84.9	86.5	83.0
	1984	81.9	82.7	81.7	74.1	69.7	63.7	62.4	62.4p	52.4p			
Over 12-month span	1982	11.6	21.4	17.6	18.1	16.7	18.1	22.1	23.1	25.1	11.6	16.3	11.3
	1983	49.5	56.3	61.9	72.4	77.1	79.5	81.8	88.1	86.4	87.1	85.4	87.0
	1984	86.5	81.9	78.3	76.4	74.9	74.9p						

[1] Number of employees, seasonally adjusted for 1-, 3-, and 6-month spans, on payrolls of 185 private nonagricultural industries.

p = preliminary

NOTE: Figures are the percent of industries with employment rising. (Half of the unchanged components are counted as rising.) Data are centered within the spans.

Senator **Abdnor**. Well, thank you, Ms. Norwood. Thank you for the report. Let me take a second, I think you know a little bit about my background, we've been here before, to express my great concern and interest in rural America, not that I think that economics ought to be about that subject entirely, but, sometimes I think it's been quite eliminated. I'm sure both Senator Proxmire and I show the same concern for the rural area of this country, which, landwise, makes up a huge percentage of the United States. It doesn't have the people, but it's very much a part of our economy.

These issues are important to me. In my new role as vice chairman of the Joint Economic Committee, I intend to champion some rural issues. Beginning next month, under my instruction, this committee is going to be undertaking a comprehensive initiative evaluating the performance of rural America and the rural economy.

I think sometimes it gets swallowed up in the overall figures that come out and that it's often overshadowed, I think we need to direct some attention to it once in a while.

The agenda that I have in mind is going to cover all facets of rural life, including the economic prospects of rural communities, small businesses, and agriculture. I want to talk about economic development. I want to talk about rural financial and investment resources. I think it is very important that we cover the adequacy of transportation, energy, water, communications, education, health care systems, and other infrastructure needs.

I know that deregulation works well in many parts of the country, but it's ruining and making miserable much of rural America.

The role of technology in rural development must be investigated. There is also the possibility that the condition of State and local government in light of changing Federal fiscal and monetary policy will affect agriculture. I know that public policy toward rural areas in the context of changing rural, urban, and global economies is going to have some very pervasive effects.

Finally, and probably most important, a thorough evaluation of rural labor conditions, prospects, and opportunity is needed. As you know from our discussions, I'm concerned that the Labor Department does not collect data which adequately reflects the true rural labor picture. I think we talked about that a number of months ago in this thing called underemployment. Unemployment is very important but in many cases in rural America, people are earning less than they do on unemployment compensation in many of our cities. Yet, that is not reflected in the kind of figures we report.

In sum, we need to find out more about the rural labor force and we need to find ways to foster greater opportunity for rural America.

I'm going to be inviting you to appear at a special hearing on rural labor issues this spring at which time we can discuss this in greater detail. I'm very excited about pursuing this topic. I have a feeling that Senator Proxmire might have an interest in this area as well.

Senator **Proxmire**. I certainly would. I want to congratulate you, Mr. Vice Chairman, for that initiative. I think we need that. We've neglected the rural area on this committee, I think, and in Congress generally.

You are absolutely right, this is the one area which is in the deepest economic trouble. So I think that these hearings would be most constructive.

Senator ABDNOR. Thank you.

Senator Proxmire and I have taken opposite views on this, but isn't it true that you have to go back a long time in your records to find a period of time when so many new jobs have been created, that there were so many new people coming into the labor force?

Didn't I hear you say 340,000 new jobs? Wasn't that it?

Ms. NORWOOD. There clearly is strong growth this month and has been for the last several months. During the recovery, we have had a growth of 7.1 million nonfarm payroll jobs, and that's pretty strong.

During the 1970's, we also had fairly strong growth, but I can give you some of the percentage figures. The civilian employment growth in this recovery period has really been about the same as the strong growth in the seventies, in the 1975 to 1977 period. But both of those were much higher than in earlier recessions.

Senator ABDNOR. This is because we have so many more people coming into the labor force. I mean that we were probably going along at the rate from the seventies. I don't know. I haven't those figures at my fingertips. But the amount of jobs being created would have to be considered very good.

Am I wrong in thinking that?

Ms. NORWOOD. You're quite correct that the number of jobs that have been created, the job growth, is very large. The labor force growth has somewhat changed in composition in the eighties compared to the previous couple of decades.

You will recall that we had earlier a very large increase of young people coming into the labor force as the result of the baby boom generation. They have now grown up and become more mature members of the labor force. So far in the eighties, a smaller proportion of the labor force is being made up of youngsters than in the past several decades. Based on birth rates, we project a continuation of that trend through the decade.

In addition, in the seventies there was a tremendous expansion of labor force participation by women. That slowed down during the early part of the eighties. It's beginning to pick up again and may well increase even more. It is that the participation of women is high and seems to be moving higher.

Senator ABDNOR. Thank you.

Isn't it also true that as time goes by our economy is tied to the world economy more and more? I mean, we've said much about being altogether now, and the importance of trade. I know what's been happening and I'm not happy with the figures on foreign trade. But, considering the world as a whole, this country really is far ahead in the economic picture, isn't it? We've come a long way with the number of people that we're putting to work the way our work force is growing in comparison with other parts of the world and the other leading countries like England and the European economy.

Ms. **Norwood**. Our recovery has been far more vigorous than the recovery in some of the other countries, particularly in Western Europe. And, in fact, if we were to look at unemployment rates and compare the United States to some of our major trading partners—if you set aside Japan, which has a special situation, and perhaps some of the Scandinavian countries, like Sweden, which have very different approaches to labor market policy—the United States has really done better in terms of the level of unemployment rates at the moment, than Canada, France, and the United Kingdom.

Senator **Abdnor**. One last question, then Senator Proxmire may proceed.

I can't think of anybody who doesn't want full employment. That's, of course, everybody's goal. A lot of our problems would be solved, if that was the situation. The President has said on numerous occasions that we should not rest until every American who wants a job has a job.

What is your definition of "full employment," and how far have we gone during the last 2 years toward achieving that objective? How far do we still have to go to get to that point?

Ms. **Norwood**. Senator, I don't have a particular definition of "full employment." I agree with you that we need to have an economy that creates enough jobs so that all people who really vigorously want a job and search for a job an find one.

I think the situation has changed now compared to what we used to talk about when we talked about full employment because we've had a lot of demographic changes. I mentioned before, for example, the decline in the number of young people coming into the labor force. Young people always have very high unemployment rates, partly because they are experimenting with jobs and because they leave the labor force in order to go to school and then come back into the labor force looking for work.

So we should be seeing somewhat less upward pressure on the unemployment rate coming from young people.

There are really two ways that people tend to discuss full employment policy. One is in terms of the labor market and people coming into the labor market finding jobs. And, there, I think we need to look at the composition of the population and their work experience, and composition of the labor force.

The other is by looking at employment and full employment in relation to inflation, what has been called a noninflationary full employment rate. I think there have been some shifts there, of course, because of the successful experience of this country over the last 2 years or so in reducing the rate of price increases.

Senator **Abdnor**. You mentioned the unemployment of youth. I believe your statistics show that from November to December, there was an increase of 1 percent in unemployment among youth?

Ms. **Norwood**. Yes, 1 percentage point.

Senator **Abdnor**. That bothers me, because I think busy youth is what we need in this country.

Ms. **Norwood**. Senator, it is true that the unemployment rate for teenagers went from 17.8 to 18.8 percent, but teenagers are a very small group of the population.

Senator **Abdnor**. Yes.

Ms. **Norwood**. And we really need to look at several months of data before determining that that is really an increase.

Senator **Abdnor**. I see.

Ms. **Norwood**. Actually, the unemployment rate for teenagers has held relatively constant over the last 6 months.

Senator**Abdnor**. Thank you, Ms. Norwood. Senator Proxmire.

Senator **Proxmire**. Ms. Norwood, in the last 2 years, since the bottom of the recession, the economy has generated 7 million jobs. And while growth during 1983 and the first half of 1984 was, as I say, very strong, real GNP increased very sluggishly in the last two quarters, as you know. It was a big dropoff.

In the third quarter, when real GNP rose by 1.9 percent, job growth was flat. In the last quarter, when GNP is estimated to have risen by 2.8 percent, jobs grew but grew rather moderately, and in the 6 months as a whole, as I pointed out, unemployment was about the same.

If these slower rates of GNP growth persist, as most people seem to assume they will, how many new jobs will the economy generate per month? And will this be enough to keep unemployment from rising?

Ms. **Norwood**. I don't know the answer to that, Senator Proxmire. We do know that during the period of slower GNP growth, during the summer months, we had actual declines in employment. But, in the fourth quarter, we've had quite a pickup. We've had 300,000 roughly, per month.

So I think that's probably all that I can say. I don't think we really know enough about that. Clearly, GNP growth is tremendously important to employment growth. There's no question about that.

Senator **Proxmire**. Now, all economic advice and, certainly, I share the view that we have to act on the deficit. It's so big, and it threatens to make the national debt and servicing the national debt a burden on the future. Plus the fact that it seems to keep interest rates higher than they otherwise would be. So that almost everybody says we have to act on it.

But, if the Congress should do that, if the Congress should reduce the deficit by, say, $180 billion over the next 4 years, as one proposal by Senator Hollings and Senator Andrews would do, would the effect tend to increase unemployment? And, if so, roughly, how serious would the unemployment increase be?

Ms. **Norwood**. I would think that would depend upon how it was done. One of the things that you need to remember is that there is some long lead time between action and the way it funnels its way through the economy. For example, we have been having rather strong increases in durable orders in recent months. A good portion of that is related to defense expenditures which were really begun many years ago.

And so there is always some of the longer range purchases in the economy which continue to work their way through the economy. And, obviously, as you know much better than I, there are some kinds of actions that are more deflationary than others.

Senator **Proxmire**. Well, if you have—I beg your pardon. Go ahead.

Senator **Abdnor**. As long as you're on the subject, there's something I'd really like to get your views on.

Let's say we do have a package here that reduces the deficit and it's over a 3-year period. Many people have told the Congress that it would have to be at least a 3-year program to really have its effect on confidence seen in the market area.

If it does do that, admittedly we're going to stop growing in some areas of the Government. But if in fact that brought interest rates down, and maybe brought our dollar in line a little closer with other countries currencies and its real value, it might help the balance of trade deficit that we're experiencing today. Couldn't these factors offset slowdown areas of Government?

Ms. **Norwood**. There clearly are many, many offsetting factors, and that's why I said that it really depends on how it is done. And as I understand it, there are a number of simulations that have been going on within the administration, and I would assume, at the Congressional Budget Office, to try to look at alternatives.

Senator **Abdnor**. Well, what do they say 1 billion dollars' worth of foreign trade creates in jobs? Isn't there a formula that can approximate that? Are you familiar with such a thing?

Ms. **Norwood**. There have been formulas which looked at the job creation which might occur if we did not import certain amounts of goods. I don't think those formulas hold up at all.

Senator **Abdnor**. But this could actually create a growth in GNP, couldn't it? If it were stimulated in the right way and if it had the desired effect of reducing interest rates and bringing in more foreign trade? In the long run, GNP could actually grow instead of being reduced? That's what we'd like to see.

Ms. **Norwood**. I'm sure, Senator, there are many, or could be many offsetting factors.

Senator **Abdnor**. OK, I'm sorry I——

Senator **Proxmire**. No, no, that's fine. That's fine. But I think we have to recognize that there's no gain without pain here. If we're going to reduce the deficit, if we're going to increase taxes and cut spending, we have to do both probably in a very big way.

Sure there will be offsetting factors. Interest rates will drop. There's no question that our foreign trade balance will improve. And those will be positive elements. But, on the basis of most past experience, if the Federal Government follows a far less stimulating policy, a drastically less stimulating policy, which we have to do, the effect would tend to slow the economy and slow economic growth down, certainly, with offsetting factors.

And, in the long run, it would be very healthy. But, in the short run, I—some people have said. I'm trying to remember who it was—that short run, in the long run, we're all dead.

At any rate, let me proceed. You reported that labor force growth has been slow during this recovery; since the trough of the 1981-82 recession, the labor force increased by 3.5 million compared with over 5 million during an equivalent period in 1974-75.

Primarily, you have attributed these differences to demographic factors: declining numbers of teenagers in the generations which followed the baby boom, and a leveling off of women's labor force participation rates.

We simply don't have, or shouldn't have expected to have, again, the large influxes of women and young people into the labor force that characterized the 1970's.

At the current pace of labor force growth, how many jobs must the economy create in a year to absorb new entrants to the labor market?

In 1984, civilian employment expanded by 3.2 million. At that rate, can unemployment be reduced much further? And are there any reasons, such as large numbers of discouraged workers, illegal aliens, who expect additional pressures on labor markets' new entrants in the years ahead?

Finally, could some industries, which depend heavily on young workers, be faced with labor shortages as the baby bust generation comes of age?

Ms. **Norwood**. There are a lot of questions there, Senator Proxmire. I think that it's very difficult to know the exact effect on unemployment caused by changes in the labor force because it also depends, of course, as you know, on the number of jobs that are created.

If you'd like, we'd be glad to try to develop a table to insert in the record on our current projections of labor force growth.

Senator **Proxmire**. Yes, I wish you would.

Ms. **Norwood**. We'll be glad to try to do that.

[The information referred to follows:]

Table 1. Civilian labor force, by sex, age, and race, 1970–82, and middle growth projection to 1995

Labor group	Labor force (in thousands)					Participation rate				
	1970	1980	1982	1990	1995	1970	1980	1982	1990	1995
Total, age 16 and over	82,771	106,940	110,204	124,951	131,387	60.4	63.8	64.0	66.9	67.8
Men	51,228	61,453	62,450	67,701	69,970	79.7	77.4	76.6	76.5	76.1
16 to 24	9,725	13,606	13,074	11,274	10,573	69.4	74.4	72.6	74.7	74.5
16 to 19	4,008	4,999	4,470	4,123	4,043	56.1	60.5	56.7	62.3	62.9
20 to 24	5,717	8,607	8,604	7,151	6,530	83.3	85.9	84.9	84.4	84.1
25 to 54	32,213	38,712	40,357	48,180	51,358	95.8	94.2	94.0	93.8	93.4
25 to 34	11,327	16,971	17,793	19,569	18,105	96.4	95.2	94.7	93.7	93.1
35 to 44	10,469	11,836	12,781	17,469	19,446	96.9	95.5	95.3	95.6	95.3
45 to 54	10,417	9,905	9,784	11,142	13,807	94.3	91.2	91.2	91.3	91.1
55 and over	9,291	9,135	9,019	8,247	8,039	55.7	45.6	43.8	37.4	35.3
55 to 64	7,126	7,242	7,174	6,419	6,311	83.0	72.1	70.2	65.5	64.5
65 and over	2,165	1,893	1,845	1,828	1,728	26.8	19.0	17.8	14.9	13.3
Women	31,543	45,487	47,755	57,250	61,417	43.3	51.5	52.6	58.3	60.3
16 to 24	8,121	11,696	11,533	10,813	10,557	51.3	61.9	62.0	69.1	71.6
16 to 19	3,241	4,381	4,056	3,778	3,761	44.0	52.9	51.4	56.8	58.2
20 to 24	4,880	7,315	7,477	7,035	6,796	57.7	68.9	69.8	78.1	82.0
25 to 54	18,208	27,888	30,149	40,496	44,852	50.1	64.0	66.3	75.6	78.7
25 to 34	5,708	12,257	13,393	16,804	16,300	45.0	65.5	68.0	78.1	81.7
35 to 44	5,968	8,627	9,651	14,974	17,427	51.1	65.5	68.0	78.6	82.8
45 to 54	6,532	7,004	7,105	8,718	11,125	54.4	59.9	61.6	67.1	69.5
55 and over	5,213	5,904	6,073	5,941	6,008	25.3	22.8	22.7	20.5	19.9
55 to 64	4,157	4,742	4,888	4,612	4,671	43.0	41.3	41.8	41.5	42.5
65 and over	1,056	1,161	1,185	1,329	1,337	9.7	8.1	7.9	7.4	7.0
White	73,556	93,600	96,143	107,734	112,393	60.2	64.1	64.3	67.3	68.1
Men	46,035	54,473	55,133	59,201	60,757	80.0	78.2	77.4	77.4	77.0
16 to 24	8,540	11,902	11,371	9,854	9,271	70.2	76.7	74.9	78.5	79.1
25 to 54	29,000	34,224	35,565	41,864	44,232	96.3	95.0	94.9	94.8	94.5
55 and over	8,494	8,345	8,197	7,483	7,254	55.8	46.1	44.2	37.8	35.6
Women	27,521	39,127	41,010	48,533	51,636	42.6	51.2	52.4	58.1	60.0
16 to 24	7,141	10,179	10,013	9,285	9,025	52.1	64.4	64.7	72.5	75.4
25 to 54	15,690	23,723	25,619	34,081	37,433	48.9	63.4	66.1	75.6	78.7
55 and over	4,690	5,226	5,378	5,167	5,178	24.9	22.4	22.4	20.1	19.5
Black and other	9,218	13,340	14,062	17,217	18,994	61.8	61.7	61.6	64.8	65.7
Men	5,194	6,980	7,317	8,500	9,213	76.5	71.5	71.0	71.0	70.6
16 to 24	1,185	1,702	1,702	1,420	1,302	64.5	61.6	60.0	55.9	52.7
25 to 54	3,212	4,488	4,792	6,316	7,126	91.9	88.6	88.0	87.6	87.2
55 and over	796	790	822	764	785	54.7	40.8	40.5	34.3	32.6
Women	4,024	6,359	6,745	8,717	9,781	49.5	53.6	53.9	59.7	61.7
16 to 24	982	1,516	1,520	1,528	1,532	46.3	49.3	48.8	53.7	55.3
25 to 54	2,517	4,164	4,529	6,415	7,419	59.2	67.0	67.9	75.8	78.7
55 and over	524	678	695	774	830	30.0	26.4	25.5	23.5	22.8

Source: November 1983, Monthly Labor Review, p. 5.

Ms. **Norwood**. Insofar as shortages are concerned, we do have a fairly healthy capacity utilization rate now. That's, of course, primarily oriented toward manufacturing. And there are, as you know, vast differences there. Many of the young people tend to work in the service-producing sector and there seems to be a tremendous and continuing increase in number of jobs there.

Senator **Proxmire**. How about illegals? Illegal aliens? Switzerland and Germany, I notice, are able to hold down their unemployment rate by exporting their unemployment. When unemployment increases, the people who suffer most and leave most quickly are the people who are only temporarily in the country.

Does the influx of legal aliens, which I understand is very large, does that really affect our unemployment figures?

Ms. **Norwood**. Well, clearly, there are people in the country who are looking for jobs. And anyone who is looking for a job and is available for a job is counted as unemployed. So that I would think that any kind of immigration, whether legal or illegal, does show up in both the employment and unemployment figures.

Senator **Proxmire**. There wasn't that much discussion of that. And I just wonder, because of the speculation that it's very, very big, that it involves hundreds of thousands, perhaps even millions of people, moving in or out, or particularly moving in, if it is a factor that we ought to be more sensitive to.

Ms. **Norwood**. We, in a measurement sense, a technical sense, we are very sensitive to that issue and we do the best job that we can to try to be sure that we can count them. In the household survey, I think we probably do get both people who are here legally and those who are here illegally, but cannot separate them. To my knowledge, there is no really good figure on the number of illegal aliens who are in this country.

It is quite clear that there are special problems in particular localities. If we look at our southern border with Mexico, if we look at some of the problems in the State of Florida, and so on, it is quite clear that the employment situation is affected by the immigration, whether legal or illegal, that occurs.

Senator **Proxmire**. Now, your figures on discouraged workers are a pessimistic element here. I notice that in the first quarter of the year there were 1,350; the second quarter, that dropped to 1,275; and the third quarter, it dropped again to 1,211. In this quarter, it increased almost back up to the level of the first quarter, 1,303,000. That figure should be going down, it seems to me, although the behavior of that group tends to be cyclical and the number of discouraged workers has been falling since the trough of the recession, as I say, that category increased.

Is the current level of discouraged workers high by historic standards? And why, after 2 years of recovery, did so many people assume no jobs are available for them?

Are discouraged workers geographically concentrated in States with high unemployment, or in severely depressed areas within States?

Ms. **Norwood**. Discouraged workers are disproportionately black. To a lesser extent, they are disproportionately female. They tend to be people who have a harder time in the labor force. They also tend to be people, so far as we've been able to make out, who are living in, as the chairman indicated, some of the rural areas of the country, and in some of the central cities.

But I think that it is basically the lack of skills and the difficulties that these people have in the labor market that is characteristic——

Senator **Proxmire**. Why has it gone up in the last quarter?

Mr. **Plewes**. It went up just slightly. We don't know why.

Senator **Proxmire**. But it went up almost 100,000.

Mr. **Plewes**. The question is: Why it didn't go down, as it usually does at this stage of the recovery?

Senator **Proxmire**. That's right. Instead of going down, it went up and it went up rather substantially.

Mr. **Plewes**. That's correct.

Senator **Abdnor**. Just for the record, at what point are you considered a discouraged worker?

Ms. **Norwood**. A discouraged worker is—it's a fairly soft figure in terms of the definition, by the way. But, a discouraged worker is one who says, "I'm available for work but I'm not looking for work. The reason I'm not looking for work is because I just don't think any job would be available."

And so he or she is not counted in the unemployment figures, because in order to be counted, there must have been a search for work. And a discouraged worker hasn't searched.

Senator **Abdnor**. Were these monthly figures that you presented to Senator Proxmire?

Senator **Proxmire**. No, it was a quarter. From the third quarter to the fourth quarter, it increased from 1,211,000 to 1,303,000, which is an increase of about 100,000.

Senator **Abdnor**. Well, that would make 100,000 people in a 3-month period discouraged workers. Is that right?

Ms. **Norwood**. Yes. In the last quarter, there was a net increase of 100,000 in the number of discouraged workers. Senator Proxmire is right that, generally, what you expect to happen is that as the recovery gains momentum, and as there are more jobs created and more and more people come into the labor market and begin looking for jobs, then the number who were discouraged goes down because these people see that there are job possibilities.

I think there is a problem of geographic location for some of them. You don't suddenly become encouraged if you know there are jobs several hundred miles from you, for example, or where you can't go.

Senator **Abdnor**. But, I ask the question, are most of those people unskilled workers or skilled? Or might it be a mixture?

Ms. **Norwood**. Many of them are unskilled workers. Many of them are minorities.

Senator **Abdnor**. This time of the year, when you go into the winter months things slow down. People are hesitant to start up new building, new construction, et cetera.

Just for clarification, doesn't this occur almost every year in this period of time?

Senator **Proxmire**. I take it, you knock the seasonal factors out?

Senator **Abdnor**. I would assume you do.

Senator **Proxmire**. I presume you do.

Ms. NORWOOD. Yes, we do try to take account of the seasonal variation. Now, of course, there may be some shifts. The weather may be milder than usual, or it may be worse than usual. It is a sticky figure. I think that's quite clear.

Senator PROXMIRE. Now, the reason I raise this is because the discouraged workers, it seems to me, might be at least taken into account when you look at the unemployment figures. Some people would just add them on and say, "You not only have the people who can't find work, you have people who are too discouraged to look."

Now, in addition to this, in December, 5.6 million who wanted to work full time could only find part-time jobs. You report that this number has been rising and explain that the group is divided almost evenly between people in slack work situations and people who can't find full-time jobs.

And part of these developments reflect employer caution about the durability of the recovery, in line with indications that firms are allowing more on temporary help than they did in the past.

Ms. NORWOOD. I think that's true. I think it also fits together with the data we have on factory hours, which are really at a very high level for this stage of recovery. I think employers are being very cautious. They don't want to increase their unit labor costs by taking on all of the additional costs, the fringe benefit costs. They are concerned, having seen some of the bankruptcy figures; they just want to be very, very careful to make their work force as efficient as possible.

And the way some of them are doing this, I believe, is by hiring people on contract and on a temporary basis. In fact, if you look at the number of jobs that have been created in business services, which include organizations which find workers, one out of every eight jobs created during the recovery was in business services. I think there's a lot of that going on.

I might add, Senator Proxmire, that I have become increasingly concerned about our interpretation of some of these data. We are certainly seeing a very strong shift away from the goods-producing sector to services in this country; and even within goods-producing, we're seeing big shifts occurring among individual industries.

Senator PROXMIRE. But, certainly, when you take a look at the fact that unemployment did go up, although rather slightly, in December, discouraged workers in the last quarter is up, and the involuntary part-time workers is also up, and that's up by 200,000, it would seem to me that the situation for people desiring full-time work is not good, it's bad. And that these latter figures underline it.

Ms. NORWOOD. As you know, we have a table in our press release which shows unemployment rates which go from a little over 2 to 10.8 percent, depending on which groups you want to count as unemployed and which groups you want to include as part of the labor force. And there is no question but that there are groups that we need to pay some attention to.

Senator PROXMIRE. Now, the unemployment rate among blacks was 15 percent in December compared to 6.2 percent for whites. That's 15 percent, 2½ times higher for blacks than for whites. That was down considerably from the worst point in the recession when it was 21 percent. The gap between blacks and whites is actually wider now. That's unusual. Why is that? Why is this situation so much worse for blacks than it usually has been when you have the unemployment situation improving?

Ms. **Norwood**. I prefer to look at it, Senator Proxmire, in terms of what is actually happening to blacks and what is actually happening to whites. During this recovery period the labor force for the black population has increased by about 800,000 and their employment has increased by about 1,300,000. So that there has been a considerable drop in the number of people who are unemployed.

I think it is important to note that black employment has increased by 14 percent during the recovery period compared to 6 percent for whites.

The black population in this country continues to have difficulty in the labor market but its situation has improved considerably during recovery.

Senator **Proxmire**. My time is up.

Senator **Abdnor**. Thank you.

Ms. Norwood, as you know many economists have argued that each postwar business cycle has been accompanied by higher rates of unemployment than the preceding one. Can that be said of the current expansion?

Ms. **Norwood**. There has generally been an upward trend in the unemployment rate, yes.

We have had a sharper decline in unemployment in this recovery than in others, but, of course, we started from a much higher rate of unemployment prior to the recession.

Senator **Abdnor**. Also in your statement you note that employment in the auto industry rose 25,000 in December?

Ms. **Norwood**. Yes.

Senator **Abdnor**. What is the unemployment rate in the industry now? What was it in December 1982? This is one of the bright areas; isn't it?

Ms. **Norwood**. It's 4.1 percent now, and it was 21.6 percent in December 1982. It's been coming down pretty steadily.

Now one needs to be careful in interpreting that because, of course, these are people who tell us that their last job was in the auto industry. There are, of course, many people who worked in the automobile industry who lost their jobs then got other jobs for a while and became unemployed again. They would not be counted in our figures as unemployed auto workers.

With that definition, workers in the automobile industry have seen a considerable improvement in their unemployment rate in the last quarter of 1984.

Senator **Abdnor**. Senator Proxmire mentioned adult men and other factors. The labor force participation rate for adult men has, at least until recently, trended downward since the mid-1960's. Now, how would you interpret this current trend? Is that leveling off now?

Ms. **Norwood**. The labor force participation rate of adult men seems to have been remarkably stable this year. It's at 78.3. That is considerably less than in the early 1970's when it was over 80 percent and in the early 1960's when it was above 85 percent. We could even go back to the 1950's and the 1940's, when it was around 88 percent.

But it has held pretty stable over the last 2 or 3 years.

Senator **Abdnor**. What's the percentage of employment?

Ms. **Norwood**. The labor force participation rate for adult men is 78.3 percent. Their unemployment rate in December was 6.3 percent.

Senator **Abdnor**. Let me jump over to rural America once more. I just can't get off of that subject.

Senator **Proxmire**. Farmers have real friends.

Senator **Abdnor**. I hope so. How would you evaluate the strength and the weaknesses of the present labor data collection processes that pertain to the metropolitan areas, and rural areas. How effective are they in the rural areas?

Ms. **Norwood**. The data system is affected a great deal by the numbers of people in particular industries and in particular areas. The smaller numbers and the more widespread they are the more expensive it is to provide accurate data. And I think that's one of the difficulties we have with data for rural areas.

The Agriculture Department has a very effective statistical reporting service. We work very closely with them. They have contracts with the State farm agencies in each of the States and do a great deal of data collection there.

Our basic survey of business establishments is nonagricultural so that we do not have any data in our basic business survey except for, of course, the manufacturing of agricultural products.

Our household survey does include the rural population but I think we have to understand what we're talking about is a sample of roughly 60,000 households and when you break that down to the smaller groups of the population, the data are not as comprehensive as we would like them to be.

In the consumer price area, for example, our pricing for the Consumer Price Index is limited entirely to urban areas.

There have been many discussions within the Government over the years that I've been in the Bureau of Labor Statistics about expanding those data and expanding those data collection programs. There is always the problem, of course, that costs increase.

Senator **Abdnor**. I'm sure, but there are ways we could improve rural data if we were willing to invest the dollars into different programs to make it possible. I would venture to say that there must be big shifts in the percentages of unemployment and employment in rural America in the different sections of the United States. It must change considerably from one part of the country to the other. Have you noticed any of that in your——

Ms. **Norwood**. There are extraordinary shifts from one place to another because economic conditions are different from one local area to another. I think we have several problems with the data on the rural population. One is that local data are difficult to produce, they are extraordinarily expensive to get with any real accuracy. The cheapest way is to go through the tax records or to business establishment payrolls which don't give you much help with the farm population.

So that's a problem. And then the second problem in the rural labor market is that there is a lot of seasonal work and a lot of underemployment that is difficult to measure.

We have had a number of conversations and have worked with members of the statistical staffs of other countries particularly some of the developing countries where there is a primarily rural sector. And there really is yet a long way to go I think in handling, defining, and measuring underemployment.

Senator ABDNOR. I won't take the time now but I'd like to pursue this with you some other time when I have you back for that single purpose.

Ms. NORWOOD. I'd be glad to.

Senator ABDNOR. Because it is a subject of great concern to me.

We're always talking about unemployment and employment and I just don't think it really reflects the true picture in some parts of the country.

For instance, right now we have quite an expansion in the nonagricultural employment throughout the Nation, and yet I don't think that's going to be necessarily true in agricultural areas. If it is a chosen employ, it's going to be at a far different salary and a base than what you'd find throughout the country as a whole.

Ms. NORWOOD. The data that we do have, Senator, show rather remarkable stability in employment in agriculture over the last couple of years.

Senator ABDNOR. Just for the record could you please review the major differences between the household and the establishment surveys. I understand that the establishment survey is less comprehensive; is that right? It excludes agriculture, the self-employed and the unpaid family workers, among others. These don't show up in establishment surveys; do they?

Ms. NORWOOD. That is correct. There are definitional differences.

The household survey is designed as a basic labor force survey which includes the total population of the country and as we've said, it is sometimes hard to break out some of the smaller groups though we do have a rather extensive system of demographic data.

The establishment survey is based upon payroll records of nonagricultural establishments. There are differences in concept. The household survey is based upon a person concept. We go out to a household and ask people if they have work. If somebody has worked at, say, two or three jobs he is counted as once employed. But if someone has worked at two or three different places he would be counted several times—once for each establishment on the payroll records. So there are very definite definitional differences between the two surveys.

Senator ABDNOR. How could we bring them together?

Ms. NORWOOD. Well, with great difficulty. And they sometimes do depart from each other. Generally over the long run we have found that they track pretty well when you take account of the differences. If you look at them over the year, for example, the two surveys are really fairly close particularly when you adjust for the conceptual differences. They're within several hundred thousand over the year and that's pretty good.

I like to think, Senator, that we in this country are extremely lucky because we have two independent observations to determine what is happening to employment growth, unlike other countries.

I can tell you that when those numbers from the two surveys differ a great deal and I have to come up here and tell you what I think is happening, I may have a little bit of a different view of it.

But I do think it's very much in the public interest for such an important phenomenon as employment to have two different kinds of measurements.

Senator ABDNOR. Well it certainly serves as a check for you.

Ms. NORWOOD. Yes.

Senator PROXMIRE. Ms. Norwood, I should have asked that question at the beginning because it seems to me it's very important for us, especially in a month like December that has its seasonal changes, to get your answer on it.

The survey week normally includes the 12th day of the month and it came a week early in December. Therefore, it might not have picked up some of the people who were hired for the Christmas period. Could the timing of the survey have affected the seasonally adjusted data in any way?

Ms. NORWOOD. Almost anything, of course, can affect the seasonal adjustment process but the timing of the household survey for December has been the same each year. That is, in December it is moved up because of the Christmas period and because of the difficulties, the processing, and it is not something that just happened this year.

Senator PROXMIRE. Well, this is not the same. Unless I'm misinformed I understand that the survey week normally includes the 12th day of the month.

Ms. NORWOOD. Yes.

Senator PROXMIRE. It does not do that in December, normally?

Ms. NORWOOD. That's right. It does not do that in December, normally.

Senator PROXMIRE. I see.

Ms. NORWOOD. It's rare.

Senator PROXMIRE. So that in Decembers in the past you've had that?

Ms. NORWOOD. Yes.

Senator PROXMIRE. You don't feel uneasy about the fact that this is early in the month and, therefore, some of the people hired to take care of the Christmas rush, for example, might not be included?

Ms. NORWOOD. Not especially, no. One of the things that's been happening if you look at retail trade, as I said in my statement, there was a considerable increase in October and November in retail trade. The fact that it didn't pick up much in December, I think, needs to be looked at in terms of what happened in October and November as well.

Senator PROXMIRE. Toward the end of last year a special report by BLS showed that 5.1 million workers were displaced in long-term jobs between January 1979 and January 1984.

Ms. NORWOOD. Yes.

Senator PROXMIRE. Forty percent of these workers, or 2 million people, were unable to find new jobs; 40 percent.

Some of those who did had to accept lower pay than they had previously earned or fewer hours of work than they wanted.

On the issue of wages the study showed that about 45 percent of displaced workers who found new full-time jobs earned less than they did in their previous jobs. Roughly 30 percent of reemployed displaced workers had to take pay cuts of 20 percent or more.

Now, in which industries or occupations were the prospects of finding a new job with equivalent pay and benefits the best?

Ms. NORWOOD. We have that press release with us. That information is shown in table 7 of the release which we will supply for the record.

Senator PROXMIRE. All right, will you supply that for the record, then, for which are the best and which are the poorest? And then most of the workers that settled for pay cuts tend to have new jobs in service industries or in different areas of manufacturing?

[The press release referred to follows:]

News

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BLS REPORTS ON DISPLACED WORKERS

The Bureau of Labor Statistics of the U.S. Department of Labor has completed a special study of workers whose jobs were abolished or plants shut down between January 1979 and January 1984.

The study shows that of 5.1 million workers who had been at their jobs at least 3 years before they were displaced, 60 percent (3.1 million) were reemployed when surveyed in January 1984, though many at lower pay; about 25 percent (1.3 million) were looking for work and the rest (700,000) had left the labor force.

Among the displaced workers who were reemployed, about 360,000 who had previously been in full-time wage and salary jobs were in part-time jobs when surveyed. Among those who were once again in full-time jobs--and reported earnings for both the old and new jobs--about 45 percent were earning less in the new job than in the one they had lost.

A displaced worker, as defined in this study, is one who (1) lost a job between January 1979 and January 1984, (2) had worked at least three years in that job, and (3) lost it because of the closing down or moving of a plant or company, slack work, or the abolishment of a position or shift.

The survey on which this study is based was sponsored by the Employment and Training Administration and was conducted as a supplement to the January 1984 Current Population Survey. (For a description of the supplement, see the explanatory note on page 4.) Altogether, a total of 11.5 million workers 20 years of age and over were identified in this survey as having lost jobs during the January 1979-January 1984 period because of one of the three factors listed above. However, a large number of these workers had been at their jobs only a relatively short period when the loss occurred, with 4.4 million reporting one year or less of tenure on the lost job. To focus on workers who had developed a relatively firm attachment to the jobs they lost, only those with a minimum of 3 years of tenure are included in this analysis, and the data presented in tables 1 through 7 relate only to these 5.1 million workers.

Employment status in January 1984

The chance of reemployment for these displaced workers declined significantly with age. While the overall proportion who were employed in January 1984 was 60 percent, this varied from 70 percent for those 20 to 24 years of age to 41 percent for those 55 to 64 years of age. Those 65 years and over often retire when they lose a job, so the proportion in this age

Centennial
of Labor
Statistics

group who were employed in January 1984 was only 21 percent. (See table 1.)

Over one-fourth of the displaced workers 55 to 64 years of age and as many as two-thirds of those 65 years and over were out of the labor force--that is, were neither employed nor unemployed--when studied. Women in general were somewhat less likely than men to be reemployed and more likely to have left the labor force.

Of the 5.1 million workers who had lost a job over the previous 5 years, about 1.3 million, or one-fourth, were unemployed when surveyed in January 1984. The proportion unemployed was about 23 percent among whites, 41 percent among blacks, and 34 percent among Hispanics.

Reasons for displacement

Almost one-half (49.0 percent) of the 5.1 million workers reported they had lost their jobs because their plant or company had closed down or moved. Another two-fifths (38.7 percent) cited "slack work" as the reason. The balance (12.4 percent) reported that their position or shift had been abolished. (See table 2.) The older the worker, the more likely was the job loss to stem from plant closings. Younger workers, having generally less seniority, were about as likely to have lost their jobs due to slack work as due to plant closings.

Years worked on lost job

Many of the 5.1 million displaced workers had been in their jobs for relatively long periods. Nearly one-third (30.2 percent) had been displaced from jobs on which they had worked 10 years or more. Another third (33.6 percent) had been on their jobs from 5 to 9 years. The remainder had lost jobs at which they had worked either 3 or 4 years. The median tenure on the lost jobs for the entire 5.1 million workers was 6.1 years. Not surprisingly, the length of tenure tended to increase with the age of the displaced workers. For example, median tenure for those 55 to 64 had been 12.4 years. (See table 3.)

Industry and occupation

Nearly 2.5 million, or almost one half of the workers in question, had been displaced from jobs in the manufacturing sector, principally in durable goods industries. (See table 4.) About 220,000 had worked in primary metals, 400,000 in machinery, except electrical, and 350,000 in the transportation equipment industry, with autos accounting for 225,000.

Of the workers who had lost jobs in the primary metals industry, less than half (45.7 percent) were employed in January 1984, and nearly two-fifths (38.7 percent) were still reported as unemployed. Of those who had lost jobs in the nonelectrical machinery industry or the transportation equipment industry, the proportion employed in January 1984 was over 60 percent.

From an occupational standpoint, operators, fabricators, and laborers figured most prominently among the workers who had been displaced from jobs. (See table 5.) In general, the higher the skill of the displaced workers, the more likely they were to be reemployed when surveyed. For example, among those who had been displaced from managerial and professional jobs, the proportion reemployed was about 75 percent. In contrast, among those who had lost jobs as handlers, equipment cleaners, helpers, and laborers, less than one-half were reemployed.

Geographic distribution

Relatively large numbers of the workers who had been displaced from their jobs resided in the East North Central (1.2 million) and the Middle Atlantic (800,000) areas. (See table 6 for definitions of these areas.) This reflects in part the concentration of heavy industries in these two areas and the employment losses which these industries incurred in recent years. As shown in table 6, the workers who had been displaced in these two areas were less likely than those in other areas to be reemployed when surveyed in January 1984. Whereas the nationwide proportion who were reemployed was three-fifths, it was only about one-half in these two areas. The East North Central area had nearly one-third of all the displaced workers who were unemployed in January 1984--400,000 out of a national total of 1.3 million--and nearly one-half of those in the East North Central area had been unemployed for more than 6 months.

Earnings on new job

Of the 3.1 million displaced workers who were again employed in January 1984, a little over 2.8 million had previously held full-time wage and salary jobs. Of these, nearly 2.3 million, were once again working in full-time wage and salary jobs when surveyed. Earnings data for about 2 million of these workers were obtained both for the old and new jobs.

About 1.1 million (55 percent) of these 2 million workers reported weekly earnings from their new jobs that were equal to or higher than the earnings on the jobs they had lost, with 500,000 reporting that their earnings exceeded those on their previous jobs by 20 percent or more. On the other hand, about 900,000 (45 percent) reported earnings that were lower than those on the jobs they had lost, with about 600,000 having taken cuts of 20 percent or more. (See table 7.)

Workers who had been displaced from jobs in durable goods manufacturing were somewhat more likely than other workers to be earning less on the jobs they held in January 1984 than in those they had lost. About 40 percent of those who were in new full-time wage and salary jobs when surveyed in January 1984 reported weekly earnings of 20 percent or more below those on the jobs they had lost.

EXPLANATORY NOTE

The data presented in this report were obtained through a special survey conducted in January 1984 as a supplement to the Current Population Survey, the monthly survey which provides the basic data on employment and unemployment for the Nation. The purpose of this supplementary survey was to obtain information on the number and characteristics of workers 20 years of age and over who had been displaced from their jobs over the previous 5 years, that is, over the period from January 1979 to January 1984. This is the period during which the economy went through two back-to-back recessions and the levels of employment in some industries, particularly the goods-producing sector, were reduced considerably.

In order to identify workers who had been displaced from jobs, the survey respondents were first asked whether the household member had lost a job during the period in question "because of a plant closing, an employer going out of business, a layoff from which (he/she) was not recalled, or other similar reasons." If the answer to this question was "yes", the respondent was asked to identify, among the following reasons, the one which best fit the reason for the job loss:

- Plant or company closed down or moved
- Plant or company was operating but job was lost because of:
  - Slack work
  - Position or shift was abolished
  - Seasonal job was completed
- Self-employment business failed
- Other reasons

After ascertaining the reason for the job loss, a series of questions were asked about the nature of the lost job--including the year it was lost, the years of tenure, the earnings, and the availability of health insurance. Other questions were asked to determine what transpired after the job loss such as: How long did the person go without work, did he or she receive unemployment insurance benefits, were the benefits exhausted, and, finally, did the person move after the job loss. If the person was reemployed at the time of the interview, follow-up questions were asked to determine the current earnings. And, regardless of the employment status at the time of the interview, a question was asked of all those who had been reported as having lost a job to determine whether they currently had any health insurance coverage.

As noted earlier, in tabulating the data from this survey the only workers considered to have been displaced from their jobs were those who reported job losses arising from: (1) The closing down or moving of a plant or company, (2) slack work, or (3) the abolishment of their position or shift. This means that workers whose job losses stemmed from the completion of seasonal work, the failure of self-employment businesses, or other miscellaneous reasons were not included among those deemed to have been displaced. A further condition for inclusion among the displaced workers for the purpose of this study was tenure of at least 3 years on the lost job.

In examining the displaced workers who were unemployed in January 1984, it is important to note that not all were continually unemployed since the job loss they reported. Many, particularly those who reported job losses which occurred in 1979 or the very early 1980's, may subsequently have held other jobs, only to find themselves unemployed once again in January 1984.

More detailed analysis of the data from this supplement, including topics not covered in this release, will be forthcoming.

Table 1. Employment status of displaced workers by age, sex, race, and Hispanic origin, January 1984

(Percent)

Age, sex, race, and Hispanic origin	Total1/ (thousands)	Total	Employed	Unemployed	Not in the labor force
TOTAL					
Total, 20 years and over	5,091	100.0	60.1	25.5	14.4
20 to 24 years	342	100.0	70.4	20.2	9.4
25 to 54 years	3,809	100.0	64.9	25.4	9.6
55 to 64 years	768	100.0	40.8	31.8	27.4
65 years and over	191	100.0	20.8	12.1	67.1
Men					
Total, 20 years and over	3,328	100.0	63.6	27.1	9.2
20 to 24 years	204	100.0	72.2	21.7	6.1
25 to 54 years	2,570	100.0	68.2	26.8	5.0
55 to 64 years	461	100.0	43.6	34.1	22.3
65 years and over	92	100.0	16.8	12.9	70.3
Women					
Total, 20 years and over	1,763	100.0	53.4	22.5	24.2
20 to 24 years	138	100.0	67.8	18.0	14.2
25 to 54 years	1,239	100.0	58.0	22.6	19.4
55 to 64 years	287	100.0	36.3	28.0	35.7
65 years and over	99	100.0	24.6	11.3	64.1
WHITE					
Total, 20 years and over	4,397	100.0	62.6	23.4	13.9
Men	2,913	100.0	66.1	25.1	8.8
Women	1,484	100.0	55.8	20.2	24.1
BLACK					
Total, 20 years and over	602	100.0	41.8	41.0	17.1
Men	358	100.0	43.9	44.7	11.4
Women	244	100.0	38.8	35.6	25.6
HISPANIC ORIGIN					
Total, 20 years and over	282	100.0	52.2	33.7	14.1
Men	189	100.0	55.2	35.5	9.3
Women	93	100.0	46.3	30.0	23.6

1/ Data refer to persons with tenure of three or more years who lost or left a job between January 1979 and January 1984 because of plant closings or moves, slack work, or the abolishment of their positions or shifts.

NOTE: Detail for the above race and Hispanic-origin groups will not sum to totals because data for the "other races" group are not presented and Hispanics are included in both the white and black population groups.

Table 2. Workers who were displaced from jobs between January 1979 and January 1984 by age, sex, race, Hispanic origin, and reason for job loss

(Percent)

Age, sex, race, and Hispanic origin	Total1/ (thousands)	Total	Plant or company closed down or moved	Slack work	Position or shift abolished
TOTAL					
Total, 20 years and over	5,091	100.0	49.0	38.7	12.4
20 to 24 years	342	100.0	47.1	47.1	5.8
25 to 54 years	3,809	100.0	46.3	41.0	12.7
55 to 64 years	748	100.0	57.8	28.2	14.0
65 years and over	191	100.0	70.8	18.1	11.1
Men					
Total, 20 years and over	3,328	100.0	46.0	42.9	11.1
20 to 24 years	204	100.0	39.5	59.6	.9
25 to 54 years	2,570	100.0	43.9	44.8	11.3
55 to 64 years	461	100.0	55.6	30.5	14.0
65 years and over	92	100.0	68.7	15.7	15.5
Women					
Total, 20 years and over	1,763	100.0	54.6	30.8	14.6
20 to 24 years	138	10C.0	58.3	28.7	12.9
25 to 54 years	1,239	100.0	51.1	33.3	15.6
55 to 64 years	287	100.0	61.4	24.5	14.1
65 years and over	49	100.0	72.8	20.3	6.9
WHITE					
Total, 20 years and over	4,397	100.0	49.6	37.9	12.5
Men	2,913	100.0	46.0	42.6	11.4
Women	1,484	100.0	56.7	28.7	14.6
BLACK					
Total, 20 years and over	602	100.0	43.8	44.7	11.6
Men	358	100.0	44.9	46.4	8.8
Women	244	100.0	42.2	42.2	15.7
HISPANIC ORIGIN					
Total, 20 years and over	262	100.0	47.4	45.2	7.3
Men	189	100.0	48.1	43.8	8.1
Women	93	100.0	46.2	48.1	5.7

1/ Data refer to persons with tenure of three or more years who lost or left a job between January 1979 and January 1984 because of plant closings or moves, slack work, or the abolishment of their positions or shifts.

NOTE: Detail for the above race and Hispanic-origin groups will not sum to totals because data for the "other races" group are not presented and Hispanics are included in both the white and black population groups.

Table 3. Workers who were displaced from jobs between January 1979 and January 1984 by age, sex, race, Hispanic origin, and tenure when job ended

(Percent)

Age, sex, race, and Hispanic origin	Total1/ (thousands)	Total	3 to 4 years	5 to 9 years	10 to 14 years	15 to 19 years	20 or more years	Median years on lost job
TOTAL								
Total, 20 years and over	5,091	100.0	36.2	33.6	14.7	6.7	8.8	6.1
25 years and over	4,749	100.0	33.5	34.5	13.5	7.1	9.4	6.5
25 to 54 years	3,809	100.0	37.9	36.9	14.5	5.9	4.7	5.8
55 to 64 years	748	100.0	15.5	23.2	21.2	12.2	27.9	12.4
65 years and over	191	100.0	14.6	31.1	12.3	11.9	30.0	11.9
Men								
Total, 20 years and over	3,328	100.0	34.6	31.6	15.8	7.4	10.6	6.6
25 years and over	3,123	100.0	31.8	32.6	16.5	7.8	11.3	7.0
25 to 54 years	2,570	100.0	35.8	35.2	16.2	6.7	6.1	6.2
55 to 64 years	461	100.0	12.9	19.5	19.0	13.0	35.5	14.4
65 years and over	92	100.0	14.3	25.0	12.1	12.8	35.8	14.3
Women								
Total, 20 years and over	1,763	100.0	39.4	37.4	12.6	5.3	5.3	5.7
25 years and over	1,625	100.0	36.7	38.2	13.6	5.8	5.7	5.9
25 to 54 years	1,239	100.0	42.4	40.4	11.1	4.2	1.9	5.5
55 to 64 years	287	100.0	19.7	29.1	24.7	11.0	15.5	10.2
65 years and over	99	100.0	14.9	36.9	12.5	11.0	24.7	9.8
WHITE								
Total, 20 years and over	4,397	100.0	36.3	33.5	14.8	6.5	8.9	6.1
Men	2,913	100.0	34.7	31.8	15.8	7.2	10.6	6.5
Women	1,484	100.0	39.3	36.9	12.9	5.2	5.7	5.7
BLACK								
Total, 20 years and over	602	100.0	36.6	34.4	14.0	7.2	7.8	6.1
Men	358	100.0	33.8	30.2	16.8	8.2	10.9	7.0
Women	244	100.0	40.7	40.4	9.8	5.8	3.3	5.5
HISPANIC ORIGIN								
Total, 20 years and over	282	100.0	37.9	32.4	13.9	6.2	9.7	5.9
Men	189	100.0	32.6	30.5	18.7	7.0	11.2	7.0
Women	93	100.0	48.5	36.4	4.0	4.3	6.7	5.1

1/ Data refer to persons with tenure of three or more years who lost or left a job between January 1979 and January 1984 because of plant closings or moves, slack work, or the abolishment of their positions or shifts.

NOTE: Detail for the above race and Hispanic-origin groups will not sum to totals because data for the "other races" group are not presented and Hispanics are included in both the white and black population groups.

Table 4. Employment status of displaced workers by industry and class of worker of lost job, January 1984

(Percent)

Industry and class of worker of lost job	Total1/ (thousands)	Total	Employed	Unemployed	Not in the labor force
Total, 20 years and over2/	5,091	100.0	60.1	25.5	14.4
Nonagricultural private wage and salary workers	4,700	100.0	59.8	25.8	14.4
Mining	150	100.0	60.4	31.0	8.6
Construction	401	100.0	55.0	30.7	14.3
Manufacturing	2,483	100.0	58.5	27.4	14.1
Durable goods	1,675	100.0	58.2	28.9	12.9
Lumber and wood products	81	100.0	67.9	19.1	13.0
Furniture and fixtures	65	100.0	(3)	(3)	(3)
Stone, clay, and glass products	75	100.0	47.5	30.5	22.0
Primary metal industries	219	100.0	45.7	38.7	15.6
Fabricated metal products	173	100.0	62.0	32.2	5.8
Machinery, except electrical	396	100.0	62.3	27.4	10.3
Electrical machinery	195	100.0	48.2	34.5	17.3
Transportation equipment	354	100.0	62.6	26.0	11.4
Automobiles	224	100.0	62.9	24.0	13.1
Other transportation equipment	130	100.0	62.1	29.4	8.5
Professional and photographic equipment	54	100.0	(3)	(3)	(3)
Other durable goods industries	62	100.0	(3)	(3)	(3)
Nondurable goods	808	100.0	59.1	24.2	16.7
Food and kindred products	175	100.0	52.5	32.6	15.0
Textile mill products	80	100.0	59.8	26.2	13.9
Apparel and other finished textile products	132	100.0	63.0	14.2	22.8
Paper and allied products	60	100.0	(3)	(3)	(3)
Printing and publishing	103	100.0	58.0	22.9	19.1
Chemical and allied products	110	100.0	64.0	27.3	8.7
Rubber and miscellaneous plastics products	100	100.0	62.8	18.3	18.8
Other nondurable goods industries	49	100.0	(3)	(3)	(3)
Transportation and public utilities	336	100.0	57.9	26.8	15.3
Transportation	280	100.0	58.8	30.5	10.7
Communication and other public utilities	56	100.0	(3)	(3)	(3)
Wholesale and retail trade	732	100.0	61.4	21.6	16.9
Wholesale trade	234	100.0	69.6	22.0	8.4
Retail trade	498	100.0	57.6	21.5	20.9
Finance, insurance, and real estate	93	100.0	78.5	12.4	9.1
Services	506	100.0	65.0	20.5	14.5
Professional services	187	100.0	64.0	19.8	16.1
Other service industries	318	100.0	65.6	20.9	13.5
Agricultural wage and salary workers	100	100.0	69.9	22.9	7.2
Government workers	248	100.0	63.3	18.7	18.0
Self-employed and unpaid family workers	25	100.0	(3)	(3)	(3)

1/ Data refer to persons with tenure of three or more years who lost or left a job between January 1979 and January 1984 because of plant closings or moves, slack work, or the abolishment of their positions or shifts.

2/ Total includes a small number who did not report industry or class of worker.

3/ Data not shown where base is less than 75,000.

Table 5. Employment status of displaced workers by occupation of lost job, January 1984

(Percent)

Occupation of lost job	Total1/ (thousands)	Total	Employed	Unemployed	Not in the labor force
Total, 20 years and over2/	5,091	100.0	60.1	25.5	14.4
Managerial and professional specialty	703	100.0	74.7	16.6	8.8
Executive, administrative, and managerial	444	100.0	75.7	15.6	8.7
Professional specialty	260	100.0	72.9	18.2	8.9
Technical, sales, and administrative support	1,162	100.0	60.6	21.1	18.3
Technicians and related support	122	100.0	67.9	25.3	6.8
Sales occupations	468	100.0	66.7	14.6	18.7
Administrative support, including clerical	572	100.0	54.1	25.5	20.5
Service occupations	275	100.0	51.0	24.1	24.9
Protective service	32	100.0	(3)	(3)	(3)
Service, except private household and protective	243	100.0	53.0	23.6	23.4
Precision production, craft and repair	1,042	100.0	61.6	26.1	12.3
Mechanics and repairers	261	100.0	61.3	29.3	9.4
Construction trades	315	100.0	63.2	23.8	13.0
Other precision production, craft, and repair	467	100.0	60.8	25.8	13.4
Operators, fabricators, and laborers	1,823	100.0	54.6	31.6	13.7
Machine operators, assemblers, and inspectors	1,144	100.0	56.0	27.5	16.5
Transportation and material moving occupations	324	100.0	63.8	28.7	7.5
Handlers, equipment cleaners, helpers, and laborers	355	100.0	41.8	47.6	10.6
Construction laborers	55	100.0	(3)	(3)	(3)
Other handlers, equipment cleaners, helpers, and laborers	300	100.0	42.0	47.0	11.0
Farming, forestry, and fishing	68	100.0	(3)	(3)	(3)

1/ Data refer to persons with tenure of three or more years who lost or left a job between January 1979 and January 1984 because of plant closings or moves, slack work, or the abolishment of their positions or shifts.

2/ Total includes a small number who did not report occupation.

3/ Data not shown where base is less than 75,000.

Table 6. Employment status and area of residence in January 1984 of displaced workers by selected characteristics

(Numbers in thousands)

Characteristic	Total 1/	New England	Middle Atlantic	East North Central	West North Central	South Atlantic	East South Central	West South Central	Mountain	Pacific
WORKERS WHO LOST JOBS										
Total	5,091	260	784	1,206	426	664	379	484	211	667
Men	3,328	155	530	772	282	429	236	347	152	427
Women	1,763	105	254	434	145	236	143	137	59	241
REASON FOR JOB LOSS										
Plant or company closed down or moved	2,492	118	410	756	208	339	204	231	103	323
Slack work	1,970	106	259	313	164	236	132	211	81	256
Position or shift abolished	629	36	115	138	54	89	42	42	26	88
INDUSTRY OF LOST JOB										
Construction	481	16	68	88	36	81	34	63	30	63
Manufacturing	2,514	158	414	659	210	296	189	215	58	315
Durable goods	1,686	94	260	514	137	175	107	142	40	218
Nondurable goods	828	64	154	145	73	122	81	73	18	97
Transportation and public utilities	352	18	61	83	34	34	33	41	19	32
Wholesale and retail trade	740	41	100	182	68	132	40	54	32	90
Finance and service industries	648	22	122	133	45	70	32	54	39	132
Public administration	84	2	10	22	5	13	4	8	5	16
Other industries 2/	272	5	20	40	28	38	45	49	23	19
EMPLOYMENT STATUS IN JANUARY 1984										
Employed	3,058	171	428	621	276	461	209	344	148	399
Unemployed	1,299	48	225	400	96	117	113	85	31	181
Percent less than 5 weeks	22.1	(3)	24.1	21.2	13.0	29.4	17.3	25.4	(3)	18.4
Percent 27 weeks or more	38.8	(3)	16.8	47.2	47.5	25.5	51.2	29.8	(3)	28.0
Not in the labor force	733	41	141	185	54	85	56	55	30	86

1/ Data refer to persons with tenure of three or more years who lost or left a job between January 1979 and January 1984 because of plant closings or moves, slack work, or the abolishment of their positions or shifts.

2/ Includes a small number who did not report industry.

3/ Data not shown where base is less than 75,000.

NOTE: Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont compose the New England Division; New Jersey, New York, and Pennsylvania compose the Middle Atlantic Division; Illinois, Indiana, Michigan, Ohio, and Wisconsin compose the East North Central Division; Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, and South Dakota compose the West North Central Division; Delaware, District of Columbia, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, and West Virginia compose the South Atlantic Division; Alabama, Kentucky, Mississippi, and Tennessee compose the East South Central Division; Arkansas, Louisiana, Oklahoma, and Texas compose the West South Central Division; Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, and Wyoming compose the Mountain Division; Alaska, California, Hawaii, Oregon, and Washington compose the Pacific Division.

Table 7. Characteristics of new job of displaced workers who lost full-time wage and salary jobs and were reemployed in January 1984 by industry of lost job

(In thousands)

Industry of lost job	Total reemployed January 1984	Part-time job	Full-time wage and salary job					Self employment or other full-time job
			Total1/	Earnings relative to those of lost job				
				20 percent or more below	Below, but within 20 percent	Equal or above, but within 20 percent	20 percent or more above	
Total who lost full-time wage and salary jobs2/...	2,841	337	2,286	621	320	591	533	218
Construction..	253	26	199	48	30	47	61	28
Manufacturing.......................................	1,418	151	1,200	364	173	286	247	67
Durable goods.....................................	934	106	787	281	102	181	155	41
Primary metal industries......................	98	14	77	40	5	22	5	7
Steel3/..	78	14	59	33	3	14	5	4
Other primary metals........................	20	-	18	7	2	9	-	2
Fabricated metal products.....................	102	12	81	30	6	21	16	9
Machinery, except electrical..................	244	17	215	77	34	59	40	12
Electrical machinery..........................	94	10	84	26	12	14	22	-
Transportation equipment......................	219	30	174	66	22	42	34	14
Automobiles.................................	141	19	115	43	16	21	26	7
Other transportation equipment..............	77	11	59	23	6	21	8	7
Nondurable goods..................................	464	45	403	85	69	105	92	16
Transportation and public utilities.................	191	15	154	40	22	44	27	22
Wholesale and retail trade..........................	399	72	296	61	41	79	85	31
Finance and service industries......................	378	58	270	59	35	81	74	50
Public administration...............................	48	4	42	11	5	7	18	2
Other industries4/..................................	153	31	104	36	16	24	22	18

1/ Includes 221,000 persons who did not report earnings on lost job.

2/ Data refer to persons with tenure of three or more years who lost or left a full-time wage and salary job between January 1979 and January 1984 because of plant closings or moves, slack work, or their positions or shifts were abolished.

3/ Includes blast furnaces, steelworks, rolling and finishing mills, and iron and steel foundries.

4/ Includes a small number who did not report industry.

Senator PROXMIRE. Now, the initial report contained much valuable information by demographic, industrial, and geographic characteristics of displaced workers. Other parts of the survey raised its policy issues as whether displaced workers tend to exhaust unemployment insurance, whether they lose health benefits or regain them if they find a new job, whether they move, and whether job market prospects are any different if workers receive advanced notice of a plant shutdown. Can you discuss those questions?

Ms. NORWOOD. I would like to point out that that survey was a one-time supplement to the Current Population Survey which I'm very pleased to say was supported with financing from the Department of Labor. We will be having a detailed article shortly which will get at some of the detailed data that were collected and we are making the data available for researchers who want to look at many of those issues themselves. We will furnish you with copies of our reports as they become available.

Senator PROXMIRE. Now, you report that, altogether, manufacturing industries regained only 70 percent of the jobs lost during the recession. And the jobs in this sector did not go up appreciably during November and December. Industries like steel have barely grown at all since the trough of the recession while textiles, chemicals, and machinery expanded very slowly. A few industries like mining, petroleum, and leather products are still losing jobs.

Within the manufacturing sector what distinguishes the losers and slow growers from the gainers?

Ms. NORWOOD. Well, I think that there are several things. If we start with the nondurable industries, we have had industries that have been in decline for many years—textiles, apparel, leather, for example.

Those clearly have been having difficulty partly in terms of technology, partly in terms of various kinds of competition, both from imports and, may I say, from other kinds of fabrics, as well from some reductions in consumers' purchases, which we seem to be finding in our consumer expenditure survey data.

Then there is tobacco, which has particular problems. There is some considerable publicity about the effects of smoking, and so on, which is affecting sales of tobacco products.

In durable manufacturing, steel, primary metals, in general, are having difficulty. That's the most negative one, I think, but machinery, generally, and fabricated metals are also having some considerable difficulty, although fabricated metals did well this month.

Oil and gas extraction industries, in mining and some of the petroleum-related manufacturing industries, are also not recovering as fast. They were slower going down. They're slower coming back. Part of that is related to the supply of energy, to a lot of the changes that have gone on in the use of energy.

In manufacturing there is a lot of improvement that has been going on for a long time in manufacturing industries that are related to housing. Housing has done fairly well and that means that furniture manufacturing has done well, as have some of the appliance manufacturing groups.

And then the automobile industry, which clearly is not back to the levels of employment that it had in, say, 1979, nevertheless, has fully recovered employment losses from the 1981-82 recession and has, in fact, regained much more, about one and a half times the number of jobs that were lost.

Senator PROXMIRE. Now, does technological change tend to restrain the growth of an industry's employment? Robotics, computers, technological change that replaces the workers with more efficient equipment? Reduces the number necessary?

Ms. NORWOOD. There are those who believe that it does. Generally speaking, however, industries that invest in new technology are usually industries that are expanding. And so it's a question of displacement of workers who have not yet been hired.

I think it depends on the particular situation but I believe that the use of new technology does not necessarily mean a reduction.

Senator PROXMIRE. How about the presence or absence of trade restraints?

Ms. NORWOOD. That's a whole other area, Senator Proxmire. And that can be looked at in many different ways. I don't really have anything to add to the discussion that's been——

Senator PROXMIRE. I just have two more quick questions. The first is, the late Arthur Okun, as you remember, said that in order to reduce unemployment by 1 percent, real GNP had to increase by 3 percent. Does Okun's law still hold, and how would you modify it?

Ms. NORWOOD. I think Arthur Okun made an enormous contribution to economic literature. There have been some shifts in the economy. There have been very important shifts in the composition of the labor force since Okun's law was established.

And I would expect that, and I believe that most economists think, that one needs to look at those issues in greater detail. I have no particular law to suggest. I think one ought to look at Art Okun's work and also ought to look at the shifts that have occurred in the economy.

I don't think you can apply that law to the conditions of today without careful analysis.

Senator PROXMIRE. My final question, and you may want to refer to the distinguished Mr. Dalton, who is an expert in inflation, among others, the November Price Index for finished goods climbed 0.5 percent, the biggest increase in 11 months. Consumer food prices in this index rose 0.7 percent, other goods, 0.4 percent.

Are there other signs that inflation is heating up?

Ms. NORWOOD. Well, I would just say no and ask Mr. Dalton to go on.

Mr. DALTON. I would agree. [Laughter.]

I think, in particular, consumer finished foods shot up in November. But we didn't see that come through in the CPI in the same month.

Senator PROXMIRE. But doesn't that follow? Doesn't the Producer Price Index—isn't that a forerunner of what's likely to happen in ensuing months?

Mr. DALTON. Typically, it is, particularly in the food area. And the fact that it didn't come through——

Senator PROXMIRE. And CPI should rise in January or February perhaps?

Mr. DALTON. Perhaps; December.

Ms. NORWOOD. But I think the point is that the fact that it didn't come through may mean that is was a very short-lived kind of development. So we can't really read too much into that until we see.

In any case, as you know, food prices bounce up and down all through the year.

Senator PROXMIRE. At any rate, you and your experts don't feel that there's much evidence that we're on the verge of suffering the resumption of inflation?

Ms. NORWOOD. No, sir. We think that prices seem to be behaving themselves fairly——

Senator PROXMIRE. You think what?

Ms. NORWOOD. Prices seem to be behaving themselves fairly well.

Senator ABDNOR. Thank you, Senator Proxmire. This could go on for a long time, I'm enjoying it very much, but, for one, I have to dash off to another meeting.

We have certainly appreciated your testimony and questions and answers today. Thank you very much, Ms. Norwood, Mr. Dalton, and Mr. Plewes for coming up before us. We look forward to seeing you next month. I hope the news stays encouraging and looks better than ever.

Thank you very much.

Ms. NORWOOD. Thank you very much.

[Whereupon, at 10:52 a.m., the committee adjourned, subject to the call of the Chair.]

EMPLOYMENT-UNEMPLOYMENT

FRIDAY, FEBRUARY 1, 1985

CONGRESS OF THE UNITED STATES,
JOINT ECONOMIC COMMITTEE,
Washington, DC.

The committee met, pursuant to notice, at 9:30 a.m., in room 2203, Rayburn House Office Building, Hon. David R. Obey (chairman of the committee) presiding.

Present: Representative Obey and Senator Proxmire.

Also present: Richard Kaufman, general counsel; and William R. Buechner and Christopher J. Frenze, professional staff members.

OPENING STATEMENT OF REPRESENTATIVE OBEY, CHAIRMAN

Representative OBEY. If we can get started on time, I want to welcome Janet Norwood for our monthly discussion of the unemployment figures, as determined by the Bureau of Labor Statistics.

Ms. Norwood, I'm frankly surprised by the numbers this morning. I guess the consensus has been that we would continue to see declines in unemployment. I'm not sure how significant these numbers are, but I am surprised. You report that the civilian unemployment rate rose from 7.2 to 7.4 percent, and that employment obviously didn't grow enough to absorb new entrants into the job market. I am surprised, and I hope it's just a temporary blip on the chart. Frankly, my personal concern, much more than these individual monthly movements, is simply the fact that we're some 25 to 26 months into the recovery, and in historical terms, we're still at a very high level of unemployment overall.

And when you consider those who are underemployed, who are statistically not counted, you still have a hell of a lot of people—being blunt about it—who are in trouble.

As I understand it, since 1948, the civilian unemployment rate has exceeded the present figure of 7.4 percent, in only 72 months out of the 445 months that we've had since 1948, and 45 of those exceptions occurred during the recessions of 1980 to 1982. To me that indicates some historical, long-term progressions that are discomforting to a lot of people, if not everybody in this room, who has a job this morning.

I think also that members of the committee have pointed out on numerous occasions that there are major groups in this society and in our work force who are still in trouble. Black unemployment is still 14.9 percent in January and the gaps between the blacks and whites which normally shrink have, in most instances, not done so.

Underemployment remains severe. It certainly remains severe in a district like mine. Five million six hundred thousand people who wanted full-time work had to settle for part-time jobs. Neither those involuntary part-time workers nor the 1.3 million discouraged workers, who've given up looking for work because they think that nothing's available, are counted. And my understanding is that if both groups were included, according to BLS calculations, the overall unemployment rate last quarter would have been 10.8 percent. That's not a political statement. It would occur regardless of whose name is on the White House door. It's simply a historical fact which we have to deal with, and which I hope that the committee will be focusing on in the next 2 years.

With that short preliminary statement, let me simply welcome you, and before I ask you to give us your statement, I simply want to express my apologies for not being at the celebration that was held earlier in the week, commemorating the 100th anniversary of the Bureau of Labor Statistics.

Your agency does an outstanding job of gathering information and disseminating that information. Billions of dollars move around in this economy and this Congress, on the basis of numbers produced by your shop. I think all of us, regardless of political persuasion, have to be extremely attentive to the need to protect the quality of that data base and to protect the ability of Congress and other people in this economy who use information produced by you, to receive that information clearly and quickly and to make the best possible use of it for the good of the country.

I hope Congress and the administration will be doing everything possible to protect and strengthen that data base during the coming 2 years.

With that, let me welcome you here, Commissioner.

Ms. **Norwood**. Thank you very much.

Representative **Obey**. Good morning, Senator Proxmire.

OPENING STATEMENT OF SENATOR PROXMIRE

Senator **Proxmire**. Good morning, Mr. Chairman.

May I just say something. I'd like to, because we're very proud and happy to have the chairman, and Wisconsin has had a habit of being chairman of this Joint Economic Committee.

Henry Reuss was chairman; I was chairman. And I must say, one of our brightest claims in Wisconsin, of course, is that we have the great La Follette tradition. Young Bob La Follette was on this committee when it first started out. I didn't know that until Dave called it to my attention. I thought he was wrong. But he turned out to be right, as he usually is.

Well, if you thought that Reuss and Proxmire were classy, you haven't seen anything yet. [Laughter.]

This guy is really good. He's sharp. He's much younger than we were when we took over. And I'm sure he'll have all kinds of energy and intelligence, and he'll make this committee sparkle. There's no committee, I think, that has greater potential than the Joint Economic Committee, but it depends a great deal on the chairman's kind of initiative, ability, and energy, and he certainly has that.

The figures this morning are very interesting, because we've just had what the President properly hailed as the best year, in many ways, economically, that we'd had in a long time. Best growth years, in the 33 years, 1984 was; 1984 was also a year of stable prices. That's a terrific combination, and it was a year of encouraging developments in lots of ways. But in the employment area, it was not a very good year. We didn't have much improvement, really, since May, and the figures this morning take us right back to May, as far as the averages are concerned, and the actual number of Americans who are actually out of work is over 9 million, an astonishing fact, it seems to me. I know January's a bad month, but something like 9.1 million, and we have to correct it for seasonal factors. It comes down to 8½ million, but that's still a very unfortunate situation.

Now the Wall Street Journal this morning in its economic column, started off the following:

> Factory orders for manufactured goods fell 0.7 percent in December. The Government's Index of Leading Indicators declined 0.2 percent. Home sales during the month rose a smaller than expected 3.1 percent. Reports have raised questions about the current strength of the economy.

The general economic consensus is that we're going to have a very good year, but certainly we're starting off with some very disquieting and disturbing figures, and I'm anxious to hear your analysis of the significance of the 0.2 increase in January.

Representative OBEY. Ms. Norwood, please proceed.

STATEMENT OF HON. JANET L. NORWOOD, COMMISSIONER, BUREAU OF LABOR STATISTICS, DEPARTMENT OF LABOR, ACCOMPANIED BY THOMAS J. PLEWES, ASSOCIATE COMMISSIONER, OFFICE OF EMPLOYMENT AND UNEMPLOYMENT STATISTICS

Ms. NORWOOD. Thank you very much. We look forward to a very challenging period of time in discussing these data with the Joint Economic Committee.

In January, after seasonal adjustment, the labor force rose and the level of joblessness increased. Both the overall unemployment rate at 7.3 percent, and the civilian worker rate, at 7.4, were 0.2 of a percentage point higher than in December. Although total employment, as measured by the household survey changed little between December and January, payroll jobs, as reported in the business survey, rose by 350,000 after seasonal adjustment.

Winter weather in January generally curtails construction activities, and retail trade and other service industries usually cut back employment from expanded December holiday levels. This year there were smaller than usual declines in construction, retail trade, and services. In part, this was because the survey week was a bit earlier than usual, the 6th to the 12th of January, and the weather was comparatively mild.

After seasonable adjustment, these three industries showed significant job gains from December to January. Indeed, all three have had strong job growth over the year. Construction has grown by 345,000, retail trade by 835,000, and services have increased by 965,000.

There was little change in the factory job count in January, following a relatively large increase in the previous month. Within manufacturing, January employment increases were limited to electrical and electronic equipment, transportation equipment—mostly automobiles—and printing and publishing.

At 19.8 million, the number of jobs in manufacturing was up by nearly 600,000 from a year earlier, but most of that increase took place before last summer. In fact, manufacturing has not yet regained all of the jobs lost during the recession. Some industries, such as transportation equipment, lumber, furniture, and rubber and plastics, have expanded their employment considerably during the recovery; indeed, the January job level in the electrical equipment industry was at an all-time high. Other industries—steel, textiles, leather, and petroleum and coal products—have shown no job gains at all, even after 26 months of recovery.

The factory workweek edged down a 10th of an hour from the relatively high levels that have been prevailing. With the decline in hours and little change in employment, the index of aggregate factory hours fell by 0.2 of a percentage point. At 96.6, with 1977 as a 100 base, the index, nevertheless, remained 1.8 percent above its level of a year ago.

The civilian labor force advanced by 400,000 in January, after seasonal adjustment. Over the past year, the labor force has risen by nearly 2.5 million, with adult women accounting for 70 percent of that gain. Typically, the female labor force declines from December to January. This year, however, their number held steady and after seasonal adjustment, the labor force participation rate for adult women rose to 54.4 percent. The January jobless rate for women 20 years and over also rose—to 6.8 percent.

This increase in unemployment took place among persons newly unemployed, those jobless for 5 weeks or less. In contrast, the number of persons unemployed for 6 months or more dropped to 1.3 million in January, after having remained at the 1.4 million mark from October to December. As a result of these movements, the median duration of unemployment declined from 7.4 to 6.7 weeks.

What are we to conclude from the statistics released this morning? The business survey shows continued strength in the economy but very little job growth in the manufacturing industry. The employment gains in January were not large enough to absorb an increase in the labor force, however, and unemployment, therefore, rose.

Now I've added to my statement, Mr. Chairman, a short summary of some changes that have been introduced to improve the current population survey as a part of our overall redesign program that will be completed in July of this year. Most of this involves some technical changes in estimating procedure which had no effect on the December to January change. We did calculate the data in several ways, and we are certain of that.

One element that I think is important to point out is the fact that we have improved the data for the Hispanic population of the country. Because the 1980 census took special care in identifying the Hispanic population, we have been able to develop separate estimates of the Hispanic population which had not been possible to do before. These estimates are being used as population controls to differentiate the Hispanic group from the rest of the population in the survey estimation process.

As you know, this survey covers 60,000 households, and then the estimation procedures expand those data to represent the total population and in that process now, we are able to control for the size of the Hispanic population, which we were not able to do before.

Those procedures affect the level of employment and unemployment for the Hispanic population, but they do not affect the ratios, for example, the unemployment rate. And what we have done is to calculate those data on the new basis all the way back to 1980, so that they would be available for anyone who wants to see them.

I just wanted to call that to your attention. I think it's the kind of improvement that we should be making as a statistical agency. Thank you.

[The prepared statement of Ms. Norwood, together with the Employment Situation press release, follows:]

PREPARED STATEMENT OF HON. JANET L. NORWOOD

Mr. Chairman and Members of the Committee:

I am pleased to have this opportunity to offer the Joint Economic Committee a few comments to supplement our Employment Situation press release issued this morning.

In January, after seasonal adjustment, the labor force rose, and the level of joblessness increased. Both the overall unemployment rate, at 7.3 percent, and the civilian worker rate, at 7.4 percent, were 0.2 of a percentage point higher than in December. Although total employment, as measured by the household survey, changed little between December and January, payroll jobs, as reported in the business survey, rose by 350,000 after seasonal adjustment.

Winter weather in January generally curtails construction activities, and retail trade and other service industries usually cut back employment from expanded December holiday levels. This year, there were smaller than usual declines in construction, retail trade, and services, in part because the survey week was earlier than usual (January 6-12), and the weather was comparatively mild.

After seasonal adjustment, these three industries showed significant job gains from December to January. Indeed, all three have had strong job growth over the year: Construction has grown by 345,000, retail trade by 835,000, and services has increased by 965,000.

There was little change in the factory job count in January, following a relatively large increase in the previous month. Within manufacturing, January employment increases were limited to electrical and electronic equipment, transportation equipment--mostly in automobiles--and printing and publishing. At 19.8 million, the number of jobs in manufacturing was up by nearly 600,000 from a year earlier, but most of that increase took place before last summer. In fact, manufacturing has not yet regained all of the jobs lost during the recession. Some industries, such as transportation equipment, lumber, furniture, and rubber and plastics, have expanded their employment considerably during the recovery; indeed, the January job level in the electrical equipment industry was at an all-time high. Other industries--steel, textiles, leather, and petroleum and coal products--have shown no job gains at all even after 26 months of recovery.

The factory workweek edged down a tenth of an hour from the relatively high levels that have been prevailing. With the decline in hours and little change in employment, the index of aggregate factory hours fell by 0.2 percentage point. At 96.6 (1977=100), the index, nevertheless, remained 1.8 percent above its level of a year ago.

The civilian labor force advanced by 400,000 in January (after seasonal adjustment). Over the past year, the labor force has risen by nearly 2.5 million, with adult women accounting for 70 percent of the gain. Typically, the female labor force declines from December to January. This year, however, their number held steady, and, after seasonal adjustment, the labor force participation rate for adult women rose to 5[illegible].4 percent. The January jobless rate for women 20 years and over also rose--to 6.8 percent.

This increase in unemployment took place among persons newly unemployed--those jobless for 5 weeks or less. In contrast, the number of persons unemployed for 6 months or more dropped to 1.3 million in January, after having remained at the 1.4-million mark from October to December. As a result of these movements, the median duration of unemployment declined from 7.4 to 6.7 weeks.

What are we to conclude from the statistics released this morning? The business survey shows continued strength in the economy, but very little job growth in the manufacturing industry. The employment gains in January were not large enough to absorb an increase in the labor force, however, and unemployment, therefore, rose.

Improvements in Household Survey Estimation

As you know, the Current Population Survey is being revised to take account of the changes recorded in the 1980 Census and to make other improvements. These improvements are being gradually phased into the survey. In January, new statistical techniques were introduced in the estimating process. The Bureau will publish a technical note describing the new techniques in detail in February. These improved statistical techniques did not significantly affect the December-January changes in the estimates reported this morning.

In one case, however, involving data for the Hispanic population, the improvement had a significant effect, and we have recalculated these data back to 1980. The fact that considerable improvements were made in the data collection on Hispanics in the 1980 Census made possible the development of separate estimates of the Hispanic population. These estimates are being used as "population controls" to differentiate the Hispanic group from the rest of the population in the survey estimation process. Labor force data are collected from a sample of 60,000 households throughout the country, and these data are then adjusted to represent the entire population. This new process has raised the level of both employment and unemployment for Hispanics, but their unemployment rate was little changed. Data for Hispanics revised back to 1980 will appear in the February 1985 issue of Employment and Earnings.

My colleagues and I would be glad to answer any questions the Committee may have.

Unemployment rates of all civilian workers by alternative seasonal adjustment methods

Month and year	Unadjusted rate	X-11 ARIMA method						X-11 method	Range
		Official procedure	Concurrent (as first computed)	Concurrent (revised)	Stable	Total	Residual	(official method before 1980)	(cols. 2-8)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1984									
January......	8.8	8.0	8.0	8.0	8.0	8.1	8.0	8.0	.1
February.....	8.4	7.8	7.8	7.8	7.8	7.8	7.8	7.8	-
March........	8.1	7.8	7.8	7.8	7.7	7.8	7.7	7.8	.1
April........	7.6	7.8	7.8	7.8	7.9	7.8	7.7	7.8	.2
May..........	7.2	7.5	7.5	7.5	7.6	7.5	7.8	7.5	.3
June.........	7.4	7.2	7.2	7.2	7.2	7.2	7.3	7.2	.1
July.........	7.5	7.5	7.5	7.5	7.4	7.5	7.5	7.5	.1
August.......	7.3	7.5	7.5	7.5	7.4	7.5	7.5	7.5	.1
September....	7.1	7.4	7.4	7.4	7.4	7.4	7.4	7.4	-
October......	7.0	7.3	7.3	7.3	7.4	7.3	7.3	7.3	.1
November.....	6.9	7.1	7.1	7.2	7.2	7.2	7.2	7.1	.1
December.....	7.0	7.2	7.2	7.2	7.3	7.2	7.1	7.1	.2
1985									
January......	8.0	7.4	7.3	7.3	7.3	7.4	7.2	7.4	.2

SOURCE: U.S. DEPARTMENT OF LABOR
Bureau of Labor Statistics
February 1985

(1) *Unadjusted rate*. Unemployment rate for all civilian workers, not seasonally adjusted.

(2) *Official procedure (X-11 ARIMA method)*. The published seasonally adjusted rate for all civilian workers. Each of the 3 major civilian labor force components—agricultural employment, nonagricultural employment and unemployment—for 4 age-sex groups—males and females, ages 16-19 and 20 years and over—are seasonally adjusted independently using data from January 1974 forward. The data series for each of these 12 components are extended by a year at each end of the original series using ARIMA (Auto-Regressive, Integrated, Moving Average) models chosen specifically for each series. Each extended series is then seasonally adjusted with the X-11 portion of the X-11 ARIMA program. The 4 teenage unemployment and nonagricultural employment components are adjusted with the additive adjustment model, while the other components are adjusted with the multiplicative model. The unemployment rate is computed by summing the 4 seasonally adjusted unemployment components and calculating that total as a percent of the civilian labor force total derived by summing all 12 seasonally adjusted components. All the seasonally adjusted series are revised at the end of each year. Extrapolated factors for January-June are computed at the beginning of each year; extrapolated factors for July-December are computed in the middle of the year after the June data become available. Each set of 6-month factors are published in advance, in the January and July issues, respectively, of *Employment and Earnings*.

(3) *Concurrent (as first computed, X-11 ARIMA method)*. The official procedure for computation of the rate for all civilian workers using the 12 components is followed except that extrapolated factors are not used at all. Each component is seasonally adjusted with the X-11 ARIMA program each month as the most recent data become available. Rates for each month of the current year are shown as first computed; they are revised only once each year, at the end of the year when data for the full year become available. For example, the rate for January 1984 would be based, during 1984, on the adjustment of data from the period January 1974 through January 1984.

(4) *Concurrent (revised, X-11 ARIMA method)*. The procedure used is identical to (3) above, and the rate for the current month (the last month displayed) will always be the same in the two columns. However, all previous months are subject to revision each month based on the seasonal adjustment of all the components with data through the current month.

(5) *Stable (X-11 ARIMA method)*. Each of the 12 civilian labor force components is extended using ARIMA models as in the official procedure and then run through the X-11 part of the program using the stable option. This option assumes that seasonal patterns are basically constant from year-to-year and computes final seasonal factors as unweighted averages of all the seasonal-irregular components for each month across the entire span of the period adjusted. As in the official procedure, factors are extrapolated in 6-month intervals and the series are revised at the end of each year. The procedure for computation of the rate from the seasonally adjusted components is also identical to the official procedure.

(6) *Total (X-11 ARIMA method)*. This is one alternative aggregation procedure, in which total unemployment and civilian labor force levels are extended with ARIMA models and directly adjusted with multiplicative adjustment models in the X-11 part of the program. The rate is computed by taking seasonally adjusted total unemployment as a percent of seasonally adjusted total civilian labor force. Factors are extrapolated in 6-month intervals and the series revised at the end of each year.

(7) *Residual (X-11 ARIMA method)*. This is another alternative aggregation method, in which total civilian employment and civilian labor force levels are extended using ARIMA models and then directly adjusted with multiplicative adjustment models. The seasonally adjusted unemployment level is derived by subtracting seasonally adjusted employment from seasonally adjusted labor force. The rate is then computed by taking the derived unemployment level as a percent of the labor force level. Factors are extrapolated in 6-month intervals and the series revised at the end of each year.

(8) *X-11 method (official method before 1980)*. The method for computation of the official procedure is used except that the series are not extended with ARIMA models and the factors are projected in 12-month intervals. The standard X-11 program is used to perform the seasonal adjustment.

Methods of Adjustment: The X-11 ARIMA method was developed at Statistics Canada by the Seasonal Adjustment and Times Series Staff under the direction of Estela Bee Dagum. The method is described in *The X-11 ARIMA Seasonal Adjustment Method*, by Estela Bee Dagum, Statistics Canada Catalogue No. 12-564E, February 1980.

The standard X-11 method is described in *X-11 Variant of the Census Method II Seasonal Adjustment Program*, by Julius Shiskin, Allan Young and John Musgrave (Technical Paper No. 15, Bureau of the Census, 1967).

News

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THE EMPLOYMENT SITUATION: JANUARY 1985

Unemployment rose in January, while the number of nonfarm payroll jobs also rose, the Bureau of Labor Statistics of the U.S. Department of Labor reported today. The overall unemployment rate increased from 7.1 to 7.3 percent, and the rate for civilian workers moved up from 7.2 to 7.4 percent.

The number of nonagricultural payroll jobs--as measured by the monthly survey of establishments--advanced by 350,000, seasonally adjusted, to 96.0 million. Civilian employment--as measured by the monthly survey of households--was little changed, after seasonal adjustment, at 106.4 million. Despite these over-the-month differences, each series shows employment growth of 7.3 million over the course of the recovery.

Unemployment (Household Survey Data)

The civilian worker unemployment rate increased by 0.2 percentage point to 7.4 percent in January. The number of unemployed persons rose by about 300,000, after seasonal adjustment, to 8.5 million; most of this increase occurred among adult women. (See table A-2.)

The unemployment rate for adult women rose from 6.4 to 6.8 percent in January; it had averaged 6.6 percent during the fourth quarter of 1984. Jobless rates for adult men (6.3 percent) and teenagers (18.9 percent) were

> ### Changes in Household Data Series
>
> Effective with data for January 1985, improvements have been introduced into the estimation procedures used in the Current Population Survey, in conjunction with the current redesign of the survey sample. These improvements include a revision in the data for Hispanics back to January 1980. A description of the nature and impact of these changes will appear in the February 1985 issue of *Employment and Earnings*.
>
> This release also introduces new seasonally adjusted series on persons at work on involuntary part-time schedules and modifications in the age coverage of data on the Vietnam-era veteran population.

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unchanged from December. The unemployment rate for whites rose from 6.2 to 6.4 percent, while rates for blacks (14.9 percent) and Hispanics (10.6 percent) were about unchanged over the month. (See tables A-2 and A-3.)

Short-term (less than 5 weeks) unemployment, at 3.7 million in January, increased substantially over the month, while long-term (15 weeks and over)

Table A. Major indicators of labor market activity, seasonally adjusted

Category	Quarterly averages		Monthly data			Dec.-Jan. change
	1984		1984		1985	
	III	IV	Nov.	Dec.	Jan.	
HOUSEHOLD DATA						
	Thousands of persons					
Labor force 1/..............	115,464	115,885	115,773	116,162	116,572	410
Total employment 1/.......	107,016	107,652	107,631	107,971	108,088	117
Civilian labor force........	113,754	114,185	114,074	114,464	114,875	411
Civilian employment.......	105,306	105,951	105,932	106,273	106,391	118
Unemployment..............	8,447	8,233	8,142	8,191	8,484	293
Not in labor force..........	62,841	62,948	63,061	62,842	62,509	-333
Discouraged workers.......	1,211	1,303	N.A.	N.A.	N.A.	N.A.
	Percent of labor force					
Unemployment rates:						
All workers 1/............	7.3	7.1	7.0	7.1	7.3	0.2
All civilian workers......	7.4	7.2	7.1	7.2	7.4	0.2
Adult men...............	6.4	6.2	6.2	6.3	6.3	0
Adult women.............	6.8	6.6	6.5	6.4	6.8	0.4
Teenagers...............	18.6	18.4	17.8	18.8	18.9	0.1
White...................	6.4	6.2	6.1	6.2	6.4	0.2
Black...................	15.8	15.1	15.1	15.0	14.9	-0.1
Hispanic origin 2/......	10.6	10.5	10.3	10.4	10.6	0.2
ESTABLISHMENT DATA						
	Thousands of jobs					
Nonfarm payroll employment..	94,560	95,437p	95,494	95,661p	96,009p	348p
Goods-producing...........	25,056	25,156p	25,123	25,265p	25,347p	82p
Service-producing.........	69,504	70,281p	70,371	70,396p	70,662p	266p
	Hours of work					
Average weekly hours:						
Total private nonfarm.....	35.3	35.2p	35.2	35.3p	35.2p	-0.1p
Manufacturing.............	40.5	40.5p	40.5	40.7p	40.6p	-0.1p
Manufacturing overtime....	3.3	3.4p	3.4	3.4p	3.3p	-0.1p

1/ Includes the resident Armed Forces.

2/ Data for 1984 and earlier years have been revised.

N.A.=not available.
p=preliminary.

unemployment declined slightly. Both measures of the average duration of unemployment dropped sharply over the month; the mean duration fell by 2 weeks to 15.3 weeks, while median duration dropped from 7.4 to 6.7 weeks. (See table A-7.)

The total number of persons working part time for economic reasons--sometimes referred to as the partially unemployed--fell by 185,000 in January to 5.6 million. Nearly all of this decline occurred among those whose hours had been reduced because of slack work; there was little change in the number of persons who could only find part-time work. (See table A-4.)

Civilian Employment and the Labor Force (Household Survey Data)

Civilian employment, at 106.4 million, was about unchanged over the month after seasonal adjustment. The proportion of the civilian population with jobs (the employment-population ratio) was 60.0 percent in January, the highest level since early 1980. (See table A-2.)

The civilian labor force declined less than seasonally expected in January and, after adjustment for seasonality, increased by 410,000 to 114.9 million. Virtually all of the over-the-month increase took place among women 16 years and over. The civilian labor force participation rate increased to 64.8 percent, 0.2 percentage point above the December figure. This is the highest seasonally adjusted level ever recorded.

Industry Payroll Employment (Establishment Survey Data)

Total nonagricultural payroll employment increased by 350,000 in January to 96.0 million, after seasonal adjustment. Increases occurred in nearly three-fifths of the industries in the BLS index of diffusion. The January job count was 3.5 million above its year-earlier level. (See tables B-1 and B-6.)

The bulk of the January employment expansion occurred in the service-producing sector, paced by a 130,000 gain in retail trade. Seasonally adjusted increases were pervasive throughout this industry, as employment fell less than it usually has between December and January. This followed exceptionally strong job growth during the holiday period. Retail trade has added 1.6 million jobs since the November 1982 recession trough.

Elsewhere in the service-producing sector, job growth continued in services (65,000), with business services and health services contributing about equally to the increase. Employment in business services has risen by more than 900,000 since November 1982 and by nearly 400,000 over the past year. Two-thirds of the 30,000 over-the-month increase in wholesale trade employment occurred in the durable goods portion.

Manufacturing employment was little changed over the month. Modest gains in motor vehicles, electrical and electronic equipment, and printing and publishing were tempered by little movement or small decreases in other manufacturing industries.

Construction employment registered a gain of 70,000 after seasonal adjustment, a partial reflection of the unusually mild weather in early January. Mining employment decreased for the fourth consecutive month.

Weekly Hours (Establishment Survey Data)

The average workweek of production or nonsupervisory workers on private nonagricultural payrolls edged down a tenth of an hour in January, seasonally adjusted, as did weekly and overtime hours in manufacturing. (See table B-2.)

The index of aggregate weekly hours of production or nonsupervisory workers on private nonagricultural payrolls was unchanged over the month at 114.5 (1977=100), 3.7 percent above the year-earlier level. The manufacturing index decreased by 0.2 percent to 96.6. (See table B-5.)

Hourly and Weekly Earnings (Establishment Survey Data)

Average hourly earnings fell 0.4 percent in January, and weekly earnings were down 0.6 percent, seasonally adjusted. Prior to seasonal adjustment, average hourly earnings rose 3 cents to $8.49, and average weekly earnings were down $4.88 to $295.45. Over the past year, hourly earnings have risen 23 cents and weekly earnings $6.35. (See table B-3.)

The Hourly Earnings Index (Establishment Survey Data)

The Hourly Earnings Index (HEI) was 162.7 (1977=100) in January, seasonally adjusted, a decrease of 0.2 percent from December. For the 12 months ended in January, the increase (before seasonal adjustment) was 2.7 percent. The HEI excludes the effects of two types of changes unrelated to underlying wage rate movements--fluctuations in overtime in manufacturing and interindustry employment shifts. In dollars of constant purchasing power, the HEI decreased 0.2 percent during the 12-month period ended in December. (See table B-4.)

Explanatory Note

This news release presents statistics from two major surveys, the Current Population Survey (household survey) and the Current Employment Statistics Survey (establishment survey). The household survey provides the information on the labor force, total employment, and unemployment that appears in the A tables, marked **HOUSEHOLD DATA**. It is a sample survey of about 60,000 households that is conducted by the Bureau of the Census with most of the findings analyzed and published by the Bureau of Labor Statistics (BLS).

The establishment survey provides the information on the employment, hours, and earnings of workers on nonagricultural payrolls that appears in the B tables, marked **ESTABLISHMENT DATA**. This information is collected from payroll records by BLS in cooperation with State agencies. The sample includes approximately 200,000 establishments employing over 35 million people.

For both surveys, the data for a given month are actually collected for and relate to a particular week. In the household survey, unless otherwise indicated, it is the calendar week that contains the 12th day of the month, which is called the survey week. In the establishment survey, the reference week is the pay period including the 12th, which may or may not correspond directly to the calendar week.

The data in this release are affected by a number of technical factors, including definitions, survey differences, seasonal adjustments, and the inevitable variance in results between a survey of a sample and a census of the entire population. Each of these factors is explained below.

Coverage, definitions, and differences between surveys

The sample households in the household survey are selected so as to reflect the entire civilian noninstitutional population 16 years of age and older. Each person in a household is classified as employed, unemployed, or not in the labor force. Those who hold more than one job are classified according to the job at which they worked the most hours.

People are classified as *employed* if they did any work at all as paid civilians; worked in their own business or profession or on their own farm; or worked 15 hours or more in an enterprise operated by a member of their family, whether they were paid or not. People are also counted as employed if they were on unpaid leave because of illness, bad weather, disputes between labor and management, or personal reasons. Members of the Armed Forces stationed in the United States are also included in the employed total.

People are classified as *unemployed*, regardless of their eligibility for unemployment benefits or public assistance, if they meet all of the following criteria: They had no employment during the survey week; they were available for work at that time; and they made specific efforts to find employment sometime during the prior 4 weeks. Also included among the unemployed are persons not looking for work because they were laid off and waiting to be recalled and those expecting to report to a job within 30 days.

The *labor force* equals the sum of the number employed and the number unemployed. The *unemployment rate* is the percentage of unemployed people in the labor force (civilian plus the resident Armed Forces). Table A-5 presents a special grouping of seven measures of unemployment based on varying definitions of unemployment and the labor force. The definitions are provided in the table. The most restrictive definition yields U-1 and the most comprehensive yields U-7. The overall unemployment rate is U-5a, while U-5b represents the same measure with a civilian labor force base.

Unlike the household survey, the establishment survey only counts wage and salary employees whose names appear on the payroll records of nonagricultural firms. As a result, there are many differences between the two surveys, among which are the following:

- The household survey, although based on a smaller sample, reflects a larger segment of the population; the establishment survey excludes agriculture, the self-employed, unpaid family workers, private household workers, and members of the resident Armed Forces.
- The household survey includes people on unpaid leave among the employed; the establishment survey does not.
- The household survey is limited to those 16 years of age and older; the establishment survey is not limited by age.
- The household survey has no duplication of individuals, because each individual is counted only once; in the establishment survey, employees working at more than one job or otherwise appearing on more than one payroll would be counted separately for each appearance.

Other differences between the two surveys are described in "Comparing Employment Estimates from Household and Payroll Surveys," which may be obtained from the BLS upon request.

Seasonal adjustment

Over the course of a year, the size of the Nation's labor force and the levels of employment and unemployment undergo sharp fluctuations due to such seasonal events as changes in weather, reduced or expanded production, harvests, major holidays, and the opening and closing of schools. For example, the labor force increases by a large number each June, when schools close and many young people enter the job market. The effect of such seasonal variation can be very large; over the course of a year, for example, seasonality may account for as much as 95 percent of the month-to-month changes in unemployment.

Because these seasonal events follow a more or less regular pattern each year, their influence on statistical trends can be eliminated by adjusting the statistics from month to month. These adjustments make nonseasonal developments, such as declines in economic activity or increases in the participation of women in the labor force, easier to spot. To return to the school's-out example, the large number of people entering the labor force each June is likely to obscure any other changes that have taken place since May, making it difficult to determine if the level of economic activity has risen or declined. However, because the effect of students finishing school in previous years is known, the statistics for the current year can be adjusted to allow for a comparable change. Insofar as the seasonal adjustment is made correctly, the adjusted figure provides a more useful tool with which to analyze changes in economic activity.

Measures of labor force, employment, and unemployment contain components such as age and sex. Statistics for all employees, production workers, average weekly hours, and average hourly earnings include components based on the employer's industry. All these statistics can be seasonally adjusted either by adjusting the total or by adjusting each of the components and combining them. The second procedure usually yields more accurate information and is therefore followed by BLS. For example, the seasonally adjusted figure for the labor force is the sum of eight seasonally adjusted civilian employment components, plus the resident Armed Forces total (not adjusted for seasonality), and four seasonally adjusted unemployment components; the total for unemployment is the sum of the four unemployment components; and the overall unemployment rate is derived by dividing the resulting estimate of total unemployment by the estimate of the labor force.

The numerical factors used to make the seasonal adjustments are recalculated regularly. For the household survey, the factors are calculated for the January-June period and again for the July-December period. The January revision is applied to data that have been published over the previous 5 years. For the establishment survey, updated factors for seasonal adjustment are calculated only once a year, along with the introduction of new benchmarks which are discussed at the end of the next section.

Sampling variability

Statistics based on the household and establishment surveys are subject to sampling error, that is, the estimate of the number of people employed and the other estimates drawn from these surveys probably differ from the figures that would be obtained from a complete census, even if the same questionnaires and procedures were used. In the household survey, the amount of the differences can be expressed in terms of standard errors. The numerical value of a standard error depends upon the size of the sample, the results of the survey, and other factors. However, the numerical value is always such that the chances are approximately 68 out of 100 that an estimate based on the sample will differ by no more than the standard error from the results of a complete census. The chances are approximately 90 out of 100 that an estimate based on the sample will differ by no more than 1.6 times the standard error from the results of a complete census. At approximately the 90-percent level of confidence—the confidence limits used by BLS in its analyses—the error for the monthly change in total employment is on the order of plus or minus 328,000; for total unemployment it is 220,000; and, for the overall unemployment rate, it is 0.19 percentage point. These figures do not mean that the sample results are off by these magnitudes but, rather, that the chances are approximately 90 out of 100 that the "true" level or rate would not be expected to differ from the estimates by more than these amounts.

Sampling errors for monthly surveys are reduced when the data are cumulated for several months, such as quarterly or annually. Also, as a general rule, the smaller the estimate, the larger the sampling error. Therefore, relatively speaking, the estimate of the size of the labor force is subject to less error than is the estimate of the number unemployed. And, among the unemployed, the sampling error for the jobless rate of adult men, for example, is much smaller than is the error for the jobless rate of teenagers. Specifically, the error on monthly change in the jobless rate for men is .26 percentage point; for teenagers, it is 1.25 percentage points.

In the establishment survey, estimates for the 2 most current months are based on incomplete returns; for this reason, these estimates are labeled preliminary in the tables. When all the returns in the sample have been received, the estimates are revised. In other words, data for the month of September are published in preliminary form in October and November and in final form in December. To remove errors that build up over time, a comprehensive count of the employed is conducted each year. The results of this survey are used to establish new benchmarks—comprehensive counts of employment—against which month-to-month changes can be measured. The new benchmarks also incorporate changes in the classification of industries and allow for the formation of new establishments.

Additional statistics and other information

In order to provide a broad view of the Nation's employment situation, BLS regularly publishes a wide variety of data in this news release. More comprehensive statistics are contained in *Employment and Earnings*, published each month by BLS. It is available for $4.50 per issue or $31.00 per year from the U.S. Government Printing Office, Washington, D.C., 20204. A check or money order made out to the Superintendent of Documents must accompany all orders.

Employment and Earnings also provides approximations of the standard errors for the household survey data published in this release. For unemployment and other labor force categories, the standard errors appear in tables B through J of its "Explanatory Notes." Measures of the reliability of the data drawn from the establishment survey and the actual amounts of revision due to benchmark adjustments are provided in tables M, O, P, and Q of that publication.

Table A-1. Employment status of the population, including Armed Forces in the United States, by sex

(Numbers in thousands)

Employment status and sex	Not seasonally adjusted			Seasonally adjusted[1]					
	Jan. 1984	Dec. 1984	Jan. 1985	Jan. 1984	Sept. 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985
TOTAL									
Noninstitutional population[1]	177,219	179,004	179,081	177,219	178,483	178,661	178,834	179,004	179,081
Labor force[2]	112,711	115,726	115,172	114,006	115,484	115,721	115,773	116,162	116,572
Participation rate[3]	63.6	64.6	64.3	64.3	64.7	64.8	64.7	64.9	65.1
Total employed[2]	102,956	107,747	106,041	104,980	107,114	107,354	107,631	107,971	108,088
Employment-population ratio[4]	58.1	60.2	59.2	59.2	60.0	60.1	60.2	60.3	60.4
Resident Armed Forces	1,686	1,698	1,697	1,686	1,720	1,705	1,699	1,698	1,697
Civilian employed	101,270	106,049	104,344	103,294	105,394	105,649	105,932	106,273	106,391
Agriculture	2,807	3,013	2,830	3,294	3,319	3,169	3,334	3,385	3,320
Nonagricultural industries	98,463	103,037	101,514	100,000	102,075	102,480	102,598	102,888	103,071
Unemployed	9,755	7,978	9,131	9,026	8,370	8,367	8,142	8,191	8,484
Unemployment rate[5]	8.7	6.9	7.9	7.9	7.2	7.2	7.0	7.1	7.3
Not in labor force	64,508	63,278	63,909	63,211	62,999	62,940	63,061	62,842	62,509
Men, 16 years and over									
Noninstitutional population[1]	84,745	85,607	85,629	84,745	85,332	85,439	85,523	85,607	85,629
Labor force[2]	64,169	65,351	64,914	64,966	65,589	65,558	65,657	65,814	65,822
Participation rate[3]	75.7	76.3	75.8	76.7	76.8	76.7	76.8	76.9	76.9
Total employed[2]	58,372	60,729	59,709	59,843	60,959	61,018	61,155	61,252	61,213
Employment-population ratio[4]	68.9	70.9	69.7	70.6	71.4	71.4	71.5	71.6	71.5
Resident Armed Forces	1,542	1,550	1,549	1,542	1,571	1,557	1,552	1,550	1,549
Civilian employed	56,830	59,179	58,160	58,301	59,388	59,461	59,603	59,702	59,664
Unemployed	5,797	4,623	5,205	5,123	4,630	4,540	4,502	4,562	4,609
Unemployment rate[5]	9.0	7.1	8.0	7.9	7.1	6.9	6.9	6.9	7.0
Women, 16 years and over									
Noninstitutional population[1]	92,474	93,397	93,452	92,474	93,151	93,222	93,311	93,397	93,452
Labor force[2]	48,542	50,373	50,258	49,040	49,895	50,163	50,116	50,348	50,750
Participation rate[3]	52.5	53.9	53.8	53.0	53.6	53.8	53.7	53.9	54.3
Total employed[2]	44,584	47,018	46,332	45,137	46,155	46,336	46,476	46,719	46,875
Employment-population ratio[4]	48.2	50.3	49.6	48.8	49.6	49.7	49.8	50.0	50.2
Resident Armed Forces	144	148	148	144	149	148	147	148	148
Civilian employed	44,440	46,870	46,184	44,993	46,006	46,188	46,329	46,571	46,727
Unemployed	3,958	3,355	3,926	3,903	3,740	3,827	3,640	3,629	3,875
Unemployment rate[5]	8.2	6.7	7.8	8.0	7.5	7.6	7.3	7.2	7.6

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[1] The population and Armed Forces figures are not adjusted for seasonal variation; therefore, identical numbers appear in the unadjusted and seasonally adjusted columns.

[2] Includes members of the Armed Forces stationed in the United States.

[3] Labor force as a percent of the noninstitutional population.

[4] Total employment as a percent of the noninstitutional population.

[5] Unemployment as a percent of the labor force (including the resident Armed Forces).

Table A-2. Employment status of the civilian population by sex and age

(Numbers in thousands)

Employment status, sex, and age	Not seasonally adjusted			Seasonally adjusted[1]					
	Jan. 1984	Dec. 1984	Jan. 1985	Jan. 1984	Sept. 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985
TOTAL									
Civilian noninstitutional population	175,533	177,306	177,384	175,533	176,763	176,956	177,135	177,306	177,384
Civilian labor force	111,025	114,028	113,475	112,320	113,764	114,016	114,074	114,464	114,875
Participation rate	63.3	64.3	64.0	64.0	64.4	64.4	64.4	64.6	64.8
Employed	101,270	106,049	104,344	103,294	105,394	105,649	105,932	106,273	106,391
Employment-population ratio[2]	57.7	59.8	58.8	58.8	59.6	59.7	59.8	59.9	60.0
Unemployed	9,755	7,978	9,131	9,026	8,370	8,367	8,142	8,191	8,484
Unemployment rate	8.8	7.0	8.0	8.0	7.4	7.3	7.1	7.2	7.4
Men, 20 years and over									
Civilian noninstitutional population	75,692	76,753	76,760	75,692	76,451	76,565	76,663	76,753	76,760
Civilian labor force	58,924	59,920	59,574	59,285	59,892	59,913	59,994	60,131	60,033
Participation rate	77.8	78.1	77.6	78.3	78.3	78.3	78.3	78.3	78.2
Employed	53,983	56,090	55,183	55,012	56,075	56,182	56,269	56,372	56,234
Employment-population ratio[2]	71.3	73.1	71.9	72.7	73.3	73.4	73.4	73.4	73.3
Agriculture	2,130	2,303	2,173	2,367	2,414	2,334	2,434	2,496	2,417
Nonagricultural industries	51,853	53,787	53,010	52,645	53,661	53,848	53,835	53,878	53,817
Unemployed	4,941	3,831	4,391	4,273	3,817	3,731	3,725	3,759	3,798
Unemployment rate	8.4	6.4	7.4	7.2	6.4	6.2	6.2	6.3	6.3
Women, 20 years and over									
Civilian noninstitutional population	84,860	85,995	86,015	84,860	85,688	85,793	85,897	85,995	86,015
Civilian labor force	44,883	46,633	46,625	45,031	45,950	46,264	46,279	46,463	46,771
Participation rate	52.9	54.2	54.2	53.1	53.6	53.9	53.9	54.0	54.4
Employed	41,548	43,843	43,322	41,840	42,906	43,091	43,252	43,511	43,610
Employment-population ratio[2]	49.0	51.0	50.4	49.3	50.1	50.2	50.4	50.6	50.7
Agriculture	498	513	476	621	590	569	580	595	592
Nonagricultural industries	41,050	43,330	42,846	41,219	42,316	42,522	42,672	42,916	43,018
Unemployed	3,335	2,790	3,303	3,191	3,044	3,173	3,027	2,952	3,161
Unemployment rate	7.4	6.0	7.1	7.1	6.6	6.9	6.5	6.4	6.8
Both sexes, 16 to 19 years									
Civilian noninstitutional population	14,981	14,557	14,610	14,981	14,624	14,598	14,575	14,557	14,610
Civilian labor force	7,218	7,474	7,277	8,004	7,922	7,839	7,801	7,870	8,072
Participation rate	49.2	51.3	49.8	53.4	54.2	53.7	53.5	54.1	55.2
Employed	5,739	6,116	5,840	6,442	6,413	6,376	6,411	6,390	6,547
Employment-population ratio[2]	38.3	42.0	40.0	43.0	43.9	43.7	44.0	43.9	44.8
Agriculture	179	197	181	306	315	266	320	296	311
Nonagricultural industries	5,560	5,919	5,659	6,136	6,098	6,110	6,091	6,094	6,236
Unemployed	1,479	1,358	1,437	1,562	1,509	1,463	1,390	1,480	1,525
Unemployment rate	20.5	18.2	19.7	19.5	19.0	18.7	17.8	18.8	18.9

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[1] The population figures are not adjusted for seasonal variation; therefore, identical numbers appear in the unadjusted and seasonally adjusted columns.

[2] Civilian employment as a percent of the civilian noninstitutional population.

Table A-3. Employment status of the civilian population by race, sex, age, and Hispanic origin

(Numbers in thousands)

Employment status, race, sex, age, and Hispanic origin	Not seasonally adjusted			Seasonally adjusted[1]					
	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
WHITE									
Civilian noninstitutional population	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Civilian labor force	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Participation rate	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Employed	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Employment-population ratio[2]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Unemployed	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Unemployment rate	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Men, 20 years and over									
Civilian labor force	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Participation rate	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Employed	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Employment-population ratio[2]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Unemployed	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Unemployment rate	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Women, 20 years and over									
Civilian labor force	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Participation rate	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Employed	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Employment-population ratio[2]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Unemployed	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Unemployment rate	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Both sexes, 16 to 19 years									
Civilian labor force	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Participation rate	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Employed	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Employment-population ratio[2]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Unemployed	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Unemployment rate	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Men	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Women	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
BLACK									
Civilian noninstitutional population	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Civilian labor force	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Participation rate	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Employed	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Employment-population ratio[2]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Unemployed	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Unemployment rate	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Men, 20 years and over									
Civilian labor force	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Participation rate	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Employed	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Employment-population ratio[2]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Unemployed	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Unemployment rate	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Women, 20 years and over									
Civilian labor force	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Participation rate	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Employed	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Employment-population ratio[2]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Unemployed	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Unemployment rate	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Both sexes, 16 to 19 years									
Civilian labor force	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Participation rate	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Employed	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Employment-population ratio[2]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Unemployed	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Unemployment rate	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Men	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Women	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
HISPANIC ORIGIN									
Civilian noninstitutional population	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Civilian labor force	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Participation rate	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Employed	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Employment population ratio[2]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Unemployed	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Unemployment rate	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

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[1] The population figures are not adjusted for seasonal variation; therefore, identical numbers appear in the unadjusted and seasonally adjusted columns.

[2] Civilian employment as a percent of the civilian noninstitutional population.

[3] Data for 1984 and earlier years have been revised.

NOTE: Detail for the above race and Hispanic-origin groups will not sum to totals because data for the "other races" group are not presented and Hispanics are included in both the white and black population groups.

Table A-4. Selected employment indicators

(Numbers in thousands)

Category	Not seasonally adjusted			Seasonally adjusted					
	Jan. 1984	Dec. 1984	Jan. 1985	Jan. 1984	Sept. 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985
CHARACTERISTIC									
Civilian employed, 16 years and over	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	106,273	106,391
Married men, spouse present	[illegible]	[illegible]	38,449	[illegible]	[illegible]	[illegible]	39,337	[illegible]	39,441
Married women, spouse present	[illegible]	[illegible]	25,808	24,391	[illegible]	25,697	25,999	26,122	25,912
Women who maintain families	[illegible]	[illegible]	5,545	[illegible]	5,429	5,378	[illegible]	5,396	5,584
MAJOR INDUSTRY AND CLASS OF WORKER									
Agriculture:									
Wage and salary workers	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	1,594	[illegible]	1,595
Self-employed workers	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	1,463	1,531
Unpaid family workers	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nonagricultural industries:									
Wage and salary workers	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	94,462	[illegible]	95,064
Government	[illegible]	[illegible]	[illegible]	[illegible]	15,881	[illegible]	[illegible]	15,858	15,738
Private industries	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	78,657	78,867	[illegible]
Private households	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	1,374
Other industries	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	77,428	[illegible]	77,956
Self-employed workers	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Unpaid family workers	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	337	[illegible]
PERSONS AT WORK PART TIME									
All industries:									
Part time for economic reasons	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	5,828
Slack work	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	2,396	[illegible]
Could only find part time work	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Voluntary part time	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	11,219	11,355
Nonagricultural industries:									
Part time for economic reasons	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	5,590	[illegible]
Slack work	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	2,287
Could only find part time work	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	2,821	[illegible]	[illegible]	[illegible]
Voluntary part time	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	12,778	12,861

[1] Excludes persons "with a job but not at work" during the survey period for such reasons as vacation, illness, or industrial dispute.

Table A-5. Range of unemployment measures based on varying definitions of unemployment and the labor force, seasonally adjusted

(Percent)

Measure	Quarterly averages					Monthly data		
	1983	1984				1984		1985
	IV	I	II	III	IV	Nov.	Dec.	Jan.
U-1 Persons unemployed 15 weeks or longer as a percent of the civilian labor force	3.1	2.7	2.4	2.3	2.1	2.1	2.1	2.0
U-2 Job losers as a percent of the civilian labor force	4.7	4.2	3.9	3.8	3.7	3.6	3.6	3.8
U-3 Unemployed persons 25 years and over as a percent of the civilian labor force	6.6	6.1	5.9	5.7	5.6	5.5	5.5	5.8
U-4 Unemployed full time jobseekers as a percent of the full time civilian labor force	8.3	7.6	7.2	7.1	7.0	6.9	6.9	7.1
U-5a Total unemployed as a percent of the labor force, including the resident Armed Forces	8.4	7.8	7.4	7.3	7.1	7.0	7.1	7.3
U-5b Total unemployed as a percent of the civilian labor force	8.5	7.9	7.5	7.4	7.2	7.1	7.2	7.4
U-6 Total full-time jobseekers plus ½ part time jobseekers plus ½ total on part time for economic reasons as a percent of the civilian labor force less ½ of the part time labor force	11.2	10.4	9.9	9.9	9.7	9.6	9.7	7.2
U-7 Total full time jobseekers plus ½ part time jobseekers plus ½ total on part time for economic reasons plus discouraged workers as a percent of the civilian labor force plus discouraged workers less ½ of the part time labor force	12.4	11.6	11.0	10.9	10.8	N.A.	N.A.	N.A.

N.A. = not available.

NOTE: Data for U-6 and U-7 for 1984 and earlier years have been revised.

Table A-6. Selected unemployment indicators, seasonally adjusted

Category	Number of unemployed persons (in thousands)			Unemployment rates[1]					
	Jan. 1984	Dec. 1984	Jan. 1985	Jan. 1984	Sept. 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985
CHARACTERISTIC									
Total, 16 years and over	9,026	8,191	8,484	8.0	7.4	[illegible]	[illegible]	[illegible]	[illegible]
Men, 16 years and over	5,123	4,562	4,609	8.1	7.2	7.1	[illegible]	[illegible]	[illegible]
Men, 20 years and over	4,273	3,759	3,798	7.2	6.4	[illegible]	[illegible]	[illegible]	[illegible]
Women, 16 years and over	3,903	3,629	3,875	8.0	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Women, 20 years and over	3,191	2,952	3,161	7.1	6.6	6.8	[illegible]	[illegible]	[illegible]
Both sexes, 16 to 19 years	1,562	1,480	1,525	19.5	[illegible]	18.7	[illegible]	[illegible]	[illegible]
Married men, spouse present	2,030	1,828	1,858	[illegible]	4.6	[illegible]	[illegible]	[illegible]	[illegible]
Married women, spouse present	1,588	1,479	1,578	[illegible]	5.7	[illegible]	[illegible]	[illegible]	[illegible]
Women who maintain families	641	572	622	10.7	10.4	[illegible]	[illegible]	[illegible]	[illegible]
Full-time workers	7,532	6,811	6,963	7.8	7.1	7.1	[illegible]	[illegible]	[illegible]
Part-time workers	1,480	1,396	1,512	9.4	9.3	[illegible]	[illegible]	[illegible]	[illegible]
Labor force time lost[2]	--	--	--	9.1	8.5	[illegible]	[illegible]	[illegible]	[illegible]
INDUSTRY									
Nonagricultural private wage and salary workers	6,561	6,089	6,228	7.9	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Mining	113	110	97	11.3	8.6	[illegible]	[illegible]	[illegible]	[illegible]
Construction	847	792	790	15.2	11.9	[illegible]	[illegible]	[illegible]	[illegible]
Manufacturing	1,832	1,599	1,688	8.2	7.4	[illegible]	[illegible]	[illegible]	[illegible]
Durable goods	1,063	950	968	8.0	6.9	[illegible]	[illegible]	[illegible]	[illegible]
Nondurable goods	769	649	720	8.6	8.1	7.8	[illegible]	[illegible]	[illegible]
Transportation and public utilities	298	303	296	5.2	5.9	[illegible]	[illegible]	[illegible]	[illegible]
Wholesale and retail trade	1,781	1,628	1,695	8.4	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Finance and service industries	1,690	1,657	1,661	6.2	5.6	5.7	[illegible]	[illegible]	[illegible]
Government workers	797	738	565	4.9	4.5	[illegible]	[illegible]	[illegible]	[illegible]
Agricultural wage and salary workers	262	241	293	15.1	14.7	[illegible]	[illegible]	[illegible]	[illegible]

[1] Unemployment as a percent of the civilian labor force.

[2] Aggregate hours lost by the unemployed and persons on part time for economic reasons as a percent of potentially available labor force hours.

Table A-7. Duration of unemployment

(Numbers in thousands)

Weeks of unemployment	Not seasonally adjusted			Seasonally adjusted					
	Jan. 1984	Dec. 1984	Jan. 1985	Jan. 1984	Sept. 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985
DURATION									
Less than 5 weeks	3,618	3,060	3,995	3,298	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
5 to 14 weeks	2,689	2,647	2,720	2,529	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
15 weeks and over	3,448	2,272	2,416	3,201	2,605	[illegible]	[illegible]	[illegible]	[illegible]
15 to 26 weeks	1,360	951	1,059	1,194	1,106	[illegible]	[illegible]	[illegible]	[illegible]
27 weeks and over	2,088	1,321	1,357	2,007	1,499	[illegible]	[illegible]	[illegible]	[illegible]
Average (mean) duration, in weeks	19.8	17.1	15.3	19.9	17.3	[illegible]	[illegible]	[illegible]	[illegible]
Median duration, in weeks	8.8	7.6	6.6	8.9	[illegible]	7.3	[illegible]	[illegible]	[illegible]
PERCENT DISTRIBUTION									
Total unemployed	100.0	100.0	100.0	100.0	100.0	100.0	[illegible]	[illegible]	[illegible]
Less than 5 weeks	37.1	38.4	43.7	36.5	39.2	40.8	[illegible]	[illegible]	[illegible]
5 to 14 weeks	27.6	33.2	29.8	28.0	30.0	28.9	[illegible]	[illegible]	[illegible]
15 weeks and over	35.3	28.5	26.5	35.5	30.8	[illegible]	[illegible]	[illegible]	[illegible]
15 to 26 weeks	13.9	11.9	11.6	13.2	13.1	13.1	[illegible]	[illegible]	[illegible]
27 weeks and over	21.4	16.6	14.9	22.2	17.7	[illegible]	[illegible]	[illegible]	[illegible]

Table A-8. Reason for unemployment

(Numbers in thousands)

Reason	Not seasonally adjusted			Seasonally adjusted					
	Jan. 1984	Dec. 1984	Jan. 1985	Jan. 1984	Sept. 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985
NUMBER OF UNEMPLOYED									
Job losers	[illegible]	[illegible]	[illegible]	4,829	4,188	4,261	4,142	4,176	4,313
On layoff	[illegible]	[illegible]	[illegible]	1,252	1,110	1,151	1,068	1,070	1,229
Other job losers	[illegible]	[illegible]	[illegible]	3,577	3,078	3,110	3,073	3,106	3,084
Job leavers	[illegible]	[illegible]	[illegible]	810	841	829	869	858	884
Reentrants	[illegible]	[illegible]	[illegible]	2,199	2,256	2,150	2,161	2,218	2,244
New entrants	[illegible]	[illegible]	[illegible]	1,145	1,037	1,060	1,029	1,011	1,049
PERCENT DISTRIBUTION									
Total unemployed	[illegible]	[illegible]	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Job losers	[illegible]	[illegible]	[illegible]	53.8	50.2	51.3	50.5	50.5	50.9
On layoff	[illegible]	[illegible]	[illegible]	13.9	13.3	13.9	13.0	12.9	14.5
Other job losers	[illegible]	[illegible]	[illegible]	39.8	36.9	37.5	37.5	37.6	36.3
Job leavers	[illegible]	[illegible]	[illegible]	9.0	10.1	10.0	10.6	10.4	10.4
Reentrants	[illegible]	[illegible]	[illegible]	24.4	27.1	25.9	26.4	26.8	26.4
New entrants	[illegible]	[illegible]	[illegible]	12.7	12.7	12.8	12.5	12.2	12.4
UNEMPLOYED AS A PERCENT OF THE CIVILIAN LABOR FORCE									
Job losers	[illegible]	[illegible]	[illegible]	4.3	3.7	3.7	3.5	3.6	3.8
Job leavers	.8	.7	.8	.7	.7	.7	.8	.7	.8
Reentrants	[illegible]	[illegible]	[illegible]	2.0	2.0	1.9	1.9	1.9	2.0
New entrants	.9	[illegible]	.8	1.0	.9	.9	.9	.9	.9

Table A-9. Unemployed persons by sex and age, seasonally adjusted

Sex and age	Number of unemployed persons (in thousands)			Unemployment rates[1]					
	Jan. 1984	Dec. 1984	Jan. 1985	Jan. 1984	Sept. 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985
Total, 16 years and over	9,026	8,191	8,484	8.0	7.4	7.3	7.1	7.2	7.4
16 to 24 years	3,334	3,230	3,251	14.7	13.9	13.5	13.2	13.5	13.6
16 to 19 years	1,362	1,480	1,525	19.5	19.0	18.7	17.8	18.8	18.9
16 to 17 years	667	646	675	22.2	20.9	20.2	20.0	21.0	21.2
18 to 19 years	889	854	848	17.8	17.7	17.8	16.8	17.7	17.4
20 to 24 years	1,972	1,750	1,726	12.3	11.4	11.0	10.9	10.9	10.9
25 years and over	5,657	4,963	5,233	6.2	5.6	5.7	5.5	5.5	5.8
25 to 54 years	4,767	4,354	4,616	6.5	5.9	5.9	5.8	5.8	6.1
55 years and over	902	615	631	4.7	4.5	4.7	4.4	4.1	4.2
Men, 16 years and over	5,123	4,562	4,609	8.1	7.2	7.3	7.0	7.1	7.2
16 to 24 years	1,958	1,789	1,745	15.4	14.6	13.8	13.7	14.1	13.8
16 to 19 years	851	801	811	20.5	19.7	19.8	18.9	19.4	19.1
16 to 17 years	354	314	354	22.5	21.0	21.3	20.3	19.8	21.2
18 to 19 years	497	490	461	19.4	18.7	18.5	18.3	19.3	18.0
20 to 24 years	1,108	986	934	12.9	12.2	10.9	11.2	11.5	11.2
25 years and over	3,149	2,785	2,853	6.2	5.5	5.4	5.4	5.4	5.5
25 to 54 years	2,721	2,391	2,484	6.5	5.6	5.5	5.6	5.6	5.8
55 years and over	433	388	377	4.9	4.8	4.7	4.7	4.4	4.3
Women, 16 years and over	3,903	3,629	3,875	8.0	7.5	7.7	7.3	7.2	7.7
16 to 24 years	1,576	1,441	1,506	14.0	13.2	13.2	12.6	12.8	13.3
16 to 19 years	712	677	714	18.4	18.3	17.6	16.6	18.1	18.6
16 to 17 years	313	328	321	22.0	20.9	19.0	19.7	22.3	21.2
18 to 19 years	392	364	387	16.0	16.6	16.5	15.1	16.0	16.7
20 to 24 years	864	764	792	11.6	10.5	11.1	10.7	10.2	10.5
25 years and over	2,338	2,180	2,380	6.2	5.9	6.0	5.7	5.6	6.1
25 to 54 years	2,066	1,961	2,122	6.5	6.2	6.2	6.1	6.0	6.4
55 years and over	269	227	254	4.5	4.0	4.8	3.9	3.7	4.2

[1] Unemployment as a percent of the civilian labor force

Table A-10. Employment status of black and other workers

(Numbers in thousands)

Employment status	Not seasonally adjusted			Seasonally adjusted[1]					
	Jan. 1984	Dec. 1984	Jan. 1985	Jan. 1984	Sept. 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985
Civilian noninstitutional population	23,594	24,572	24,282	23,594	24,292	24,351	24,477	24,572	24,282
Civilian labor force	14,258	15,429	15,142	14,504	15,265	15,404	15,468	15,540	15,415
Participation rate	60.4	62.8	62.4	61.5	62.8	63.3	63.2	63.2	63.5
Employed	12,002	13,399	13,055	12,235	13,158	13,285	13,356	13,420	13,310
Employment-population ratio[2]	50.9	54.5	53.8	51.9	54.2	54.6	54.6	54.6	54.8
Unemployed	2,256	2,030	2,087	2,269	2,107	2,119	2,112	2,120	2,105
Unemployment rate	15.8	13.2	13.8	15.6	13.8	13.8	13.7	13.6	13.7
Not in labor force	9,336	9,143	9,140	9,090	9,027	8,947	9,009	9,032	8,867

[1] The population figures are not adjusted for seasonal variation; therefore, identical numbers appear in the unadjusted and seasonally adjusted columns.

[2] Civilian employment as a percent of the civilian noninstitutional population.

Table A-11. Occupational status of the employed and unemployed, not seasonally adjusted

(Numbers in thousands)

Occupation	Civilian employed		Unemployed		Unemployment rate	
	Jan. 1984	Jan. 1985	Jan. 1984	Jan. 1985	Jan. 1984	Jan. 1985
Total, 16 years and over[1]	101,270	104,344	9,755	9,131	8.8	8.0
Managerial and professional specialty	24,384	25,311	757	673	3.0	2.6
Executive, administrative, and managerial	11,169	12,021	399	331	3.4	2.7
Professional specialty	13,214	13,290	359	342	2.6	2.5
Technical, sales, and administrative support	31,466	32,622	1,916	1,831	5.7	5.3
Technicians and related support	3,129	3,326	122	122	3.7	3.5
Sales occupations	12,108	12,388	798	777	6.2	5.9
Administrative support, including clerical	16,230	16,908	996	933	5.8	5.2
Service occupations	13,724	14,277	1,505	1,411	9.9	9.0
Private household	913	1,033	80	54	8.0	4.9
Protective service	1,669	1,682	96	76	5.4	4.3
Service, except private household and protective	11,142	11,561	1,329	1,281	10.7	10.0
Precision production, craft, and repair	12,570	12,770	1,390	1,289	10.0	9.2
Mechanics and repairers	4,283	4,345	290	287	6.3	6.2
Construction trades	4,208	4,429	740	719	15.0	14.0
Other precision production, craft, and repair	4,079	3,996	359	283	8.1	6.6
Operators, fabricators, and laborers	16,254	16,412	2,627	2,529	13.9	13.4
Machine operators, assemblers, and inspectors	7,841	7,837	1,136	1,107	12.7	12.4
Transportation and material moving occupations	4,190	4,359	527	544	11.2	11.1
Handlers, equipment cleaners, helpers, and laborers	4,223	4,217	964	878	18.6	17.2
Construction laborers	539	530	237	263	30.5	33.1
Other handlers, equipment cleaners, helpers, and laborers	3,683	3,686	727	615	16.5	14.3
Farming, forestry, and fishing	2,873	2,953	451	456	13.6	13.4

[1] Persons with no previous work experience and those whose last job was in the Armed Forces are included in the unemployed total.

Table A-12. Employment status of male Vietnam-era veterans and nonveterans by age, not seasonally adjusted

(Numbers in thousands)

Veteran status and age	Civilian noninstitutional population		Civilian labor force							
			Total		Employed		Unemployed			
							Number		Percent of labor force	
	Jan. 1984	Jan. 1985	Jan. 1984	Jan. 1985	Jan. 1984	Jan. 1985	Jan. 1984	Jan. 1985	Jan. 1984	Jan. 1985
VIETNAM-ERA VETERANS										
Total, 30 years and over	7,330	7,565	6,838	7,090	6,353	6,650	485	440	7.1	6.2
30 to 44 years	6,371	6,509	6,113	6,272	5,671	5,875	442	397	7.2	6.3
30 to 34 years	1,927	1,556	1,820	1,454	1,635	1,324	185	130	10.2	8.9
35 to 39 years	3,178	3,348	3,080	3,286	2,889	3,099	191	187	6.2	5.7
40 to 44 years	1,266	1,605	1,213	1,532	1,147	1,452	66	80	5.4	5.2
45 years and over	959	1,056	725	818	682	775	43	43	5.9	5.3
NONVETERANS										
Total, 30 to 44 years	15,782	16,791	14,920	15,903	13,871	14,903	1,049	1,000	7.0	6.3
30 to 34 years	7,123	7,790	6,731	7,350	6,199	6,828	532	522	7.9	7.1
35 to 39 years	4,645	4,724	4,412	4,524	4,115	4,272	297	252	6.7	5.6
40 to 44 years	4,014	4,277	3,777	4,029	3,557	3,803	220	226	5.8	5.6

NOTE: Male Vietnam-era veterans are men who served in the Armed Forces between August 5, 1964 and May 7, 1975. Nonveterans are men who have never served in the Armed Forces; published data are limited to those 30 to 44 years of age, the group that most closely corresponds to the bulk of the Vietnam-era veteran population.

Data for 25- to 29-year-old veterans are no longer shown in this table because the group is rapidly disappearing (into the 30-34 age category) and the numbers remaining for some labor force categories are not large enough to warrant their continued publication.

Table A-13. Employment status of the civilian population for eleven large States

[Numbers in thousands]

State and employment status	Not seasonally adjusted[1]			Seasonally adjusted[2]					
	Jan. 1984	Dec. 1984	Jan. 1985	Jan. 1984	Sept. 1984	Oct. 1984	Nov. 1984	Dec. 1984	Jan. 1985
California									
Civilian noninstitutional population	18,861	19,137	19,161	18,861	19,058	19,086	19,111	19,137	19,161
Civilian labor force	12,278	12,644	12,761	12,327	12,614	12,623	12,609	12,635	12,815
Employed	11,153	11,770	11,738	11,295	11,592	11,680	11,686	11,734	11,886
Unemployed	1,124	874	1,024	1,032	1,022	943	923	901	930
Unemployment rate	9.2	6.9	8.0	8.4	8.1	7.5	7.3	7.1	7.3
Florida									
Civilian noninstitutional population	8,500	8,676	8,691	8,500	8,626	8,644	8,660	8,676	8,691
Civilian labor force	5,011	5,196	5,237	5,088	5,113	5,104	5,121	5,170	5,311
Employed	4,642	4,879	4,895	4,730	4,803	4,783	4,823	4,868	4,981
Unemployed	369	316	342	358	310	321	298	302	330
Unemployment rate	7.4	6.1	6.5	7.0	6.1	6.3	5.8	5.8	6.2
Illinois									
Civilian noninstitutional population	8,595	8,631	8,634	8,595	8,620	8,625	8,628	8,631	8,634
Civilian labor force	5,509	5,640	5,631	5,560	5,586	5,645	5,643	5,673	5,681
Employed	4,919	5,157	5,077	5,010	5,090	5,122	5,155	5,173	5,166
Unemployed	590	482	555	550	496	523	488	500	516
Unemployment rate	10.7	8.6	9.8	9.9	8.9	9.3	8.6	8.8	9.1
Massachusetts									
Civilian noninstitutional population	4,495	4,540	4,544	4,495	4,527	4,532	4,536	4,540	4,544
Civilian labor force	3,008	3,067	3,019	3,028	3,058	3,049	3,058	3,061	3,037
Employed	2,787	2,947	2,882	2,838	2,922	2,931	2,928	2,930	2,933
Unemployed	221	120	138	190	136	118	130	131	105
Unemployment rate	7.3	3.9	4.6	6.3	4.4	3.9	4.3	4.3	3.4
Michigan									
Civilian noninstitutional population	6,736	6,790	6,794	6,736	6,774	6,780	6,785	6,790	6,794
Civilian labor force	4,146	4,318	4,309	4,232	4,363	4,395	4,414	4,384	4,396
Employed	3,616	3,861	3,790	3,740	3,884	3,916	3,924	3,918	3,913
Unemployed	530	457	520	492	479	479	490	466	484
Unemployment rate	12.8	10.6	12.1	11.6	11.0	10.9	11.1	10.6	11.0
New Jersey									
Civilian noninstitutional population	5,812	5,868	5,873	5,812	5,852	5,858	5,863	5,868	5,873
Civilian labor force	3,774	3,766	3,780	3,810	3,822	3,816	3,783	3,794	3,818
Employed	3,485	3,563	3,526	3,541	3,590	3,591	3,562	3,575	3,583
Unemployed	288	203	253	269	232	225	221	219	234
Unemployment rate	7.6	5.4	6.7	7.1	6.1	5.9	5.8	5.8	6.1
New York									
Civilian noninstitutional population	13,592	13,674	13,680	13,592	13,649	13,658	13,666	13,674	13,680
Civilian labor force	7,881	8,210	8,179	7,939	8,103	8,188	8,230	8,275	8,242
Employed	7,244	7,678	7,606	7,347	7,524	7,591	7,647	7,698	7,713
Unemployed	636	532	573	592	579	597	583	577	529
Unemployment rate	8.1	6.5	7.0	7.5	7.1	7.3	7.1	7.0	6.4
North Carolina									
Civilian noninstitutional population	4,532	4,614	4,621	4,532	4,591	4,599	4,606	4,614	4,621
Civilian labor force	(3)	(3)	2,999	(3)	(3)	(3)	(3)	(3)	3,056
Employed	(3)	(3)	2,786	(3)	(3)	(3)	(3)	(3)	2,848
Unemployed	(3)	(3)	213	(3)	(3)	(3)	(3)	(3)	208
Unemployment rate	(3)	(3)	7.1	(3)	(3)	(3)	(3)	(3)	6.8
Ohio									
Civilian noninstitutional population	8,043	8,070	8,072	8,043	8,061	8,065	8,067	8,070	8,072
Civilian labor force	4,959	5,104	5,022	5,065	5,140	5,137	5,107	5,151	5,130
Employed	4,448	4,634	4,568	4,577	4,667	4,655	4,657	4,684	4,697
Unemployed	511	470	454	488	473	482	450	467	433
Unemployment rate	10.3	9.2	9.0	9.6	9.2	9.4	8.8	9.1	8.4
Pennsylvania									
Civilian noninstitutional population	9,195	9,227	9,230	9,195	9,217	9,221	9,224	9,227	9,230
Civilian labor force	5,382	5,545	5,414	5,464	5,494	5,497	5,509	5,533	5,500
Employed	4,840	5,140	4,946	4,966	4,985	5,011	5,037	5,110	5,074
Unemployed	542	405	468	498	509	486	472	423	426
Unemployment rate	10.1	7.3	8.6	9.1	9.3	8.8	8.6	7.6	7.7
Texas									
Civilian noninstitutional population	11,378	11,509	11,520	11,378	11,471	11,484	11,496	11,509	11,520
Civilian labor force	7,601	7,903	7,755	7,663	7,937	7,927	7,883	7,937	7,822
Employed	7,047	7,459	7,219	7,138	7,490	7,476	7,431	7,461	7,314
Unemployed	553	443	536	525	447	451	452	476	508
Unemployment rate	7.3	5.6	6.9	6.9	5.6	5.7	5.7	6.0	6.5

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[1] These are the official Bureau of Labor Statistics' estimates used in the administration of Federal fund allocation programs.

[2] The population figures are not adjusted for seasonal variation; therefore, identical numbers appear in the unadjusted and the seasonally adjusted columns.

[3] Official estimates for North Carolina prior to 1985 are not derived from the household survey. Consequently, seasonally adjusted data are not published. The unadjusted estimates are available upon request.

Table B-1. Employees on nonagricultural payrolls by industry

(In thousands)

Industry	Not seasonally adjusted				Seasonally adjusted					
	Jan. 1984	Nov. 1984	Dec. p 1984	Jan. p 1985	Jan. 1984	Sept. 1984	Oct. 1984	Nov. 1984	Dec. p 1984	Jan. p 1985
Total	91,065	96,257	96,291	94,594	92,391	94,807	r95,157	95,494	95,661	96,009
Total private	75,209	79,887	80,030	78,538	76,533	78,698	79,054	79,371	79,616	79,949
Goods-producing	23,777	25,368	25,159	24,703	24,383	25,010	25,080	25,123	25,265	25,347
Mining	968	1,012	1,003	985	975	1,020	1,012	1,009	1,003	992
Oil and gas extraction	610.6	648.3	648.9	639.8	608	642	643	648	646	637
Construction	3,779	4,567	4,407	4,115	4,154	4,374	4,382	4,396	4,452	4,522
General building contractors	1,009.1	1,181.3	1,150.5	1,093.8	1,100	1,140	1,140	1,146	1,157	1,192
Manufacturing	19,030	19,789	19,749	19,603	19,254	19,616	19,686	19,718	19,810	19,833
Production workers	13,034	13,573	13,512	13,379	13,234	13,448	13,497	13,505	13,577	13,586
Durable goods	11,223	11,803	11,805	11,734	11,343	11,696	11,752	11,776	11,843	11,861
Production workers	7,537	7,950	7,914	7,864	7,643	7,876	7,915	7,925	7,924	7,977
Lumber and wood products	671.1	709.7	699.3	687.8	702	703	710	713	717	720
Furniture and fixtures	473.8	497.4	498.2	496.7	475	481	487	492	495	498
Stone, clay, and glass products	570.0	613.1	602.9	586.2	595	603	606	606	613	513
Primary metal industries	866.8	856.2	849.9	849.1	871	865	866	865	860	853
Blast furnaces and basic steel products	343.8	[illegible]	313.5	313.1	347	324	320	320	319	316
Fabricated metal products	1,428.1	[illegible]	1,501.9	1,490.4	1,440	1,485	1,495	1,498	1,503	1,502
Machinery, except electrical	2,133.7	2,249.2	2,258.3	2,247.2	2,137	2,243	2,255	2,251	2,254	2,252
Electrical and electronic equipment	2,144.4	2,278.6	2,282.0	2,284.3	2,152	2,263	2,269	2,274	2,282	2,293
Transportation equipment	1,854.1	1,966.7	1,989.8	1,986.4	1,876	1,939	1,945	1,957	1,994	2,011
Motor vehicles and equipment	833.3	884.3	897.8	893.9	858	864	865	877	906	921
Instruments and related products	709.5	731.6	733.5	727.9	711	726	729	731	733	729
Miscellaneous manufacturing	371.3	396.8	388.9	377.6	384	388	390	389	392	390
Nondurable goods	7,807	7,986	7,944	7,869	7,911	7,920	7,934	7,942	7,967	7,972
Production workers	5,497	5,623	5,578	5,515	5,591	5,572	5,582	5,580	5,603	5,609
Food and kindred products	1,586.4	1,663.6	1,642.7	1,610.6	1,638	1,630	1,640	1,644	1,658	1,662
Tobacco manufactures	67.6	69.1	72.6	73.2	66	69	69	67	69	71
Textile mill products	761.7	734.6	730.6	721.5	768	744	735	731	728	727
Apparel and other textile products	1,187.1	1,189.9	1,176.8	1,162.0	1,207	1,181	1,178	1,178	1,186	1,181
Paper and allied products	672.3	684.1	684.1	678.5	676	680	684	683	684	683
Printing and publishing	1,327.3	1,390.6	1,393.4	1,393.3	1,328	1,375	1,380	1,386	1,385	1,393
Chemicals and allied products	1,046.0	1,064.1	1,065.3	1,062.2	1,053	1,063	1,065	1,066	1,069	1,070
Petroleum and coal products	186.8	186.1	182.1	181.4	191	186	185	185	184	185
Rubber and miscellaneous plastics products	765.3	809.0	806.8	804.2	774	798	805	810	813	814
Leather and leather products	206.5	195.2	189.1	182.5	210	194	193	192	191	186
Service-producing	67,288	70,889	71,132	69,891	68,008	69,797	r70,077	70,371	70,396	70,662
Transportation and public utilities	5,023	5,256	5,265	5,172	5,095	5,213	5,225	5,226	5,238	5,248
Transportation	2,757	2,983	2,991	2,900	2,816	2,937	2,951	2,953	2,964	2,962
Communication and public utilities	2,266	2,273	2,274	2,272	2,279	2,276	2,274	2,273	2,274	2,286
Wholesale trade	5,364	5,642	5,652	5,634	5,406	5,588	5,612	5,623	5,645	5,677
Durable goods	3,151	3,320	3,331	3,335	3,168	3,293	3,301	3,317	3,331	3,352
Nondurable goods	2,213	2,322	2,321	2,299	2,238	2,295	2,311	2,306	2,314	2,325
Retail trade	15,680	16,877	17,217	16,514	15,914	16,342	16,468	16,644	16,635	16,765
General merchandise stores	2,267.5	2,520.6	2,675.6	2,434.9	2,210	2,318	2,334	2,391	2,351	2,373
Food stores	2,605.5	2,722.8	2,755.3	2,706.2	2,618	2,648	2,677	2,696	2,707	2,720
Automotive dealers and service stations	1,709.7	1,771.9	1,771.5	1,770.5	1,725	1,755	1,763	1,772	1,779	1,787
Eating and drinking places	4,855.6	5,271.0	5,287.4	5,091.0	5,111	5,255	5,280	5,303	5,325	5,359
Finance, insurance, and real estate	5,537	5,714	5,736	5,724	5,573	5,684	5,705	5,725	5,748	5,761
Finance	2,798	2,880	2,895	2,897	2,797	2,856	2,865	2,874	2,886	2,897
Insurance	1,733	1,774	1,782	1,782	1,737	1,766	1,774	1,778	1,784	1,786
Real estate	1,007	1,060	1,059	1,045	1,039	1,062	1,066	1,073	1,078	1,078
Services	19,828	21,030	21,001	20,791	20,162	20,861	20,964	21,030	21,065	21,151
Business services	3,754.4	4,175.1	4,181.4	4,139.6	3,798	4,085	4,110	4,142	4,152	4,190
Health services	6,013.2	6,103.7	6,106.1	6,129.8	6,030	6,085	6,087	6,104	6,112	6,148
Government	15,856	16,370	16,261	16,056	15,858	16,109	r16,103	16,123	16,045	16,060
Federal	2,738	2,784	2,783	2,777	2,760	2,804	r2,793	2,801	2,794	2,799
State	3,642	3,825	3,780	3,685	3,670	3,725	3,719	3,724	3,706	3,715
Local	9,476	9,761	9,698	9,594	9,428	9,580	9,591	9,598	9,545	9,546

p = preliminary.

r = revised.

Table B-2. Average weekly hours of production or nonsupervisory workers[1] on private nonagricultural payrolls by industry

Industry	Not seasonally adjusted				Seasonally adjusted					
	Jan. 1984	Nov. 1984	Dec. 1984 p	Jan. 1985 p	Jan. 1984	Sept. 1984	Oct. 1984	Nov. 1984	Dec. 1984 p	Jan. 1985 p
Total private	35.0	35.1	35.5	34.8	35.4	35.4	35.1	35.2	35.3	35.2
Mining	43.3	43.5	44.2	42.5	(2)	(2)	(2)	(2)	(2)	(2)
Construction	36.3	37.4	37.6	36.3	(2)	(2)	(2)	(2)	(2)	(2)
Manufacturing	40.6	40.7	41.2	40.2	40.9	40.6	40.4	40.5	40.7	40.6
Overtime hours	3.3	3.5	3.6	3.2	3.5	3.3	3.3	3.4	3.4	3.3
Durable goods	41.3	41.4	42.1	41.1	41.6	41.5	41.3	41.2	41.4	41.4
Overtime hours	3.5	3.7	3.9	3.4	3.7	3.5	3.5	3.6	3.6	3.6
Lumber and wood products	39.5	39.2	40.0	39.0	40.6	40.2	39.7	39.5	40.2	40.1
Furniture and fixtures	39.0	40.1	40.5	39.2	40.0	39.9	39.6	39.8	39.6	40.3
Stone, clay, and glass products	41.0	42.0	41.8	40.6	42.1	42.0	41.8	41.8	41.8	41.7
Primary metal industries	41.9	41.4	41.6	41.0	41.9	41.3	41.3	41.5	41.2	41.0
Blast furnaces and basic steel products	40.9	40.4	40.0	39.3	41.0	40.0	40.1	40.8	39.8	39.4
Fabricated metal products	41.4	41.3	42.3	41.0	41.6	41.5	41.3	41.1	41.5	41.2
Machinery, except electrical	41.8	42.0	42.9	41.8	41.8	42.0	41.9	41.7	41.9	41.8
Electrical and electronic equipment	41.1	41.2	41.7	40.8	41.2	41.2	40.9	41.0	40.9	40.9
Transportation equipment	42.9	42.7	43.9	42.9	43.2	42.8	42.4	42.4	43.0	43.2
Motor vehicles and equipment	44.3	43.4	44.9	44.2	44.8	43.9	43.3	43.4	44.4	43.6
Instruments and related products	41.1	41.7	41.4	40.6	41.3	41.5	41.2	41.5	41.9	40.8
Miscellaneous manufacturing	38.9	39.7	39.8	38.9	(2)	(2)	(2)	(2)	(2)	(2)
Nondurable goods	39.5	39.6	40.0	39.1	39.9	39.4	39.3	39.4	39.6	39.4
Overtime hours	3.1	3.2	3.1	2.8	3.3	3.0	2.9	3.2	3.1	2.9
Food and kindred products	39.4	40.0	40.4	39.5	39.7	39.6	39.6	39.7	40.0	39.8
Tobacco manufactures	38.1	40.1	39.0	35.5	(2)	(2)	(2)	(2)	(2)	(2)
Textile mill products	40.3	39.3	39.5	38.9	40.6	39.2	38.7	39.0	39.3	39.2
Apparel and other textile products	36.1	36.1	36.3	35.7	36.6	35.9	35.9	36.0	36.3	36.2
Paper and allied products	43.1	43.3	43.8	42.8	43.2	43.1	43.0	43.2	43.1	43.0
Printing and publishing	37.5	38.1	38.3	37.0	37.9	37.9	37.8	37.9	37.6	37.4
Chemicals and allied products	42.0	41.9	42.5	41.5	42.1	41.8	41.6	41.7	42.0	41.6
Petroleum and coal products	44.1	43.7	43.0	42.4	44.8	43.1	43.5	43.5	43.0	43.0
Rubber and miscellaneous plastics products	42.0	41.6	42.0	41.4	(2)	(2)	(2)	(2)	(2)	(2)
Leather and leather products	36.7	36.6	37.1	36.1	37.3	36.5	36.4	36.4	36.9	36.7
Transportation and public utilities	39.2	39.5	39.5	39.1	39.5	39.8	39.1	39.4	39.2	39.4
Wholesale trade	38.4	38.7	38.9	38.2	38.6	38.8	38.6	38.6	38.6	38.4
Retail trade	29.4	29.7	30.5	29.2	30.1	30.0	29.8	29.9	30.0	29.9
Finance, insurance, and real estate	36.5	36.4	36.7	36.3	(2)	(2)	(2)	(2)	(2)	(2)
Services	32.6	32.6	32.8	32.5	32.8	32.8	32.7	32.7	32.8	32.7

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[1] Data relate to production workers in mining and manufacturing; to construction workers in construction; and to nonsupervisory workers in transportation and public utilities; wholesale and retail trade; finance, insurance, and real estate; and services. These groups account for approximately four-fifths of the total employees on private nonagricultural payrolls.

[2] This series is not published seasonally adjusted since the seasonal component is small relative to the trend-cycle and/or irregular components and consequently cannot be separated with sufficient precision.

p = preliminary

Table B-3. Average hourly and weekly earnings of production or nonsupervisory workers¹ on private nonagricultural payrolls by industry

Industry	Average hourly earnings				Average weekly earnings			
	Jan. 1984	Nov. 1984	Dec. 1984 p	Jan. 1985 p	Jan. 1984	Nov. 1984	Dec. 1984 p	Jan. 1985 p
Total private	$8.26	$8.43	$8.46	$8.49	$289.10	$295.89	$300.33	$295.45
Seasonally adjusted	8.21	8.42	8.47	8.44	290.63	296.38	298.99	297.09
Mining	11.54	11.57	11.64	11.69	499.68	503.30	514.49	496.83
Construction	12.08	12.01	12.18	12.25	438.50	449.17	457.97	444.68
Manufacturing	9.08	9.30	9.38	9.40	368.65	378.51	386.46	377.88
Durable goods	9.64	9.82	9.91	9.95	398.13	406.55	418.47	408.95
Lumber and wood products	7.88	8.01	8.03	8.02	311.26	313.99	321.20	312.78
Furniture and fixtures	6.76	6.96	7.03	7.05	263.64	279.10	284.72	276.36
Stone, clay, and glass products	9.42	9.66	9.68	9.74	386.22	405.72	404.62	395.44
Primary metal industries	11.38	11.54	11.45	11.43	476.82	473.62	476.74	468.63
Blast furnaces and basic steel products	12.76	12.99	12.97	12.94	521.88	524.80	518.80	508.54
Fabricated metal products	9.31	9.42	9.56	9.55	385.43	389.05	404.39	391.55
Machinery, except electrical	9.85	10.06	10.15	10.09	411.73	422.52	435.44	421.76
Electrical and electronic equipment	8.88	9.13	9.26	9.33	364.97	376.98	386.14	380.66
Transportation equipment	12.06	12.42	12.61	12.60	517.37	530.33	553.58	540.54
Motor vehicles and equipment	12.53	12.96	13.22	13.22	555.08	562.46	593.58	584.32
Instruments and related products	8.68	8.91	8.99	9.01	336.75	371.55	381.18	365.81
Miscellaneous manufacturing	7.00	7.03	7.12	7.19	272.30	279.09	283.38	278.14
Nondurable goods	8.27	8.52	8.54	8.55	326.67	337.39	341.60	334.70
Food and kindred products	8.41	8.46	8.48	8.48	331.35	338.40	342.59	334.96
Tobacco manufactures	10.72	11.76	10.88	12.00	410.34	471.58	424.32	390.50
Textile mill products	6.19	6.35	6.37	6.38	257.52	257.42	259.52	255.96
Apparel and other textile products	5.30	5.39	5.45	5.49	198.55	201.80	205.10	203.13
Paper and allied products	10.23	10.67	10.68	10.67	440.91	462.01	467.78	456.68
Printing and publishing	9.26	9.54	9.55	9.56	347.25	361.47	365.77	352.98
Chemicals and allied products	10.91	11.35	11.35	11.37	458.22	475.57	482.38	471.86
Petroleum and coal products	13.47	13.67	13.59	13.72	594.03	597.38	584.37	581.73
Rubber and miscellaneous plastics products	8.13	8.39	8.41	8.45	343.34	349.02	353.22	349.83
Leather and leather products	5.68	5.76	5.79	5.81	208.56	210.82	214.81	209.74
Transportation and public utilities	11.08	11.29	11.31	11.33	436.34	445.96	447.54	443.00
Wholesale trade	8.82	9.04	9.16	9.14	338.69	350.62	356.32	349.15
Retail trade	5.88	5.94	5.89	5.94	173.17	176.42	179.65	173.45
Finance, insurance, and real estate	[illegible]	7.32	7.40	7.41	275.78	280.65	286.26	283.50
Services	[illegible]	7.74	7.82	7.84	246.78	252.37	256.50	253.80

See footnote 1, table B-2

p = preliminary

Table B-4. Hourly Earnings Index for production or nonsupervisory workers¹ on private nonagricultural payrolls by industry

(1977 = 100)

Industry	Not seasonally adjusted					Seasonally adjusted						
	Jan. 1984	Nov. 1984	Dec. 1984p	Jan. 1985p	Percent change from: Jan. 1984-Jan. 1985	Jan. 1984	[illegible]	[illegible]	Nov. 1984	Dec. 1984p	Jan. 1985p	Percent change from: Dec. 1984-Jan. 1985
Total private nonfarm:												
Current dollars	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	162.7	-0.2
Constant (1977) dollars	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	(3)
Mining	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	(4)	(4)	(4)	(4)	(4)	(4)	(4)
Construction	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	.5
Manufacturing	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	165.1	165.6	.3
Transportation and public utilities	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	163.8	[illegible]	[illegible]	[illegible]	164.0	-.2
Wholesale trade	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	(4)	(4)	(4)	(4)	(4)	(4)	(4)
Retail trade	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	155.9	[illegible]	155.8	.9
Finance, insurance, and real estate	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	(4)	(4)	(4)	(4)	(4)	(4)	(4)
Services	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

Table B-5. Indexes of aggregate weekly hours of production or nonsupervisory workers[1] on private nonagricultural payrolls by industry

(1977 = 100)

Industry	Not seasonally adjusted				Seasonally adjusted					
	Jan. 1984	Nov. 1984	Dec. 1984 p	Jan. 1985 p	Jan. 1984	Sept. 1984	Oct. 1984	Nov. 1984	Dec. 1984 p	Jan. 1985 p
Total	106.9	114.6	116.0	110.9	110.3	113.4	113.2	114.0	114.5	114.5
Goods-producing	93.7	101.5	101.4	96.4	97.9	100.0	99.7	100.2	101.0	100.9
Mining	111.3	117.8	118.1	110.8	111.5	119.7	115.8	117.1	116.7	110.9
Construction	94.4	121.6	116.9	103.2	110.3	117.2	116.2	118.1	118.5	120.7
Manufacturing	92.7	96.8	97.7	94.4	94.9	95.8	95.7	95.9	96.8	96.6
Durable goods	91.4	96.7	98.1	94.8	93.4	96.0	95.9	95.9	97.0	96.9
Lumber and wood products	90.1	94.8	95.1	91.0	97.4	96.4	96.2	95.9	98.4	98.5
Furniture and fixtures	99.2	107.5	108.5	104.7	102.0	102.5	103.1	105.5	105.2	107.9
Stone, clay, and glass products	80.5	90.1	87.6	82.2	87.1	88.4	88.2	88.4	89.3	88.9
Primary metal industries	72.4	70.6	70.4	69.5	72.8	71.1	71.4	71.6	70.8	69.8
Blast furnaces and basic steel products	61.7	55.4	54.6	53.7	62.3	56.9	56.3	57.3	55.4	54.2
Fabricated metal products	88.0	93.7	95.7	92.0	89.5	92.7	92.8	92.8	94.1	93.4
Machinery, except electrical	91.0	97.5	100.0	96.7	91.1	97.3	97.9	96.9	97.7	96.8
Electrical and electronic equipment	109.1	115.5	116.9	114.3	109.6	115.3	114.7	115.0	114.7	115.0
Transportation equipment	93.1	97.5	101.6	99.0	95.1	96.8	95.8	96.1	99.8	101.3
Motor vehicles and equipment	88.1	91.7	96.8	94.6	93.0	89.8	88.4	89.7	97.0	99.6
Instruments and related products	107.6	111.2	113.3	107.6	108.5	109.6	109.3	110.7	111.7	108.5
Miscellaneous manufacturing	80.0	89.3	86.6	81.3	85.0	86.1	86.3	85.8	86.6	86.4
Nondurable goods	94.7	97.1	97.1	93.3	97.0	95.6	95.5	95.8	96.5	96.2
Food and kindred products	92.3	99.9	99.3	94.4	97.0	96.5	97.0	97.5	99.4	99.2
Tobacco manufactures	90.2	98.9	100.8	87.6	87.6	93.8	95.6	92.4	93.5	85.1
Textile mill products	83.2	77.9	77.8	75.8	84.5	78.7	76.7	76.7	77.3	77.1
Apparel and other textile products	90.3	90.4	89.8	86.9	93.2	89.2	89.0	89.2	90.7	89.8
Paper and allied products	97.9	100.2	101.3	98.7	98.8	98.9	99.5	99.8	99.9	100.1
Printing and publishing	112.3	120.1	120.7	116.7	113.8	117.8	118.2	118.9	117.4	118.0
Chemicals and allied products	95.2	95.7	96.8	94.7	96.1	95.9	95.5	95.4	95.9	95.6
Petroleum and coal products	85.2	86.5	82.3	80.7	89.4	84.5	85.3	85.3	83.5	84.3
Rubber and miscellaneous plastics products	109.2	114.3	115.1	112.9	111.0	112.2	112.9	114.5	114.9	114.9
Leather and leather products	78.4	73.5	71.9	67.6	81.4	72.9	72.2	71.8	72.3	70.1
Service-producing	114.2	121.9	124.0	118.9	117.2	120.8	120.7	121.6	122.0	122.0
Transportation and public utilities	100.9	106.9	107.2	103.8	103.4	106.8	105.2	106.1	105.8	106.3
Wholesale trade	110.1	117.2	117.9	115.4	111.6	116.1	116.2	116.3	116.8	117.0
Retail trade	105.2	114.5	120.0	109.8	109.3	111.7	111.8	113.6	113.7	114.1
Finance, insurance, and real estate	121.2	124.5	126.2	124.0	122.0	125.4	125.1	125.4	126.2	125.2
Services	126.3	134.4	134.8	132.0	129.4	134.1	134.2	134.8	135.3	135.1

[1] See footnote 1, table B-2.

p = preliminary

Table B-6. Indexes of diffusion: Percent of industries in which employment[1] increased

Time span	Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Over 1 month span	1983..........	54.3	46.5	60.8	68.9	69.5	64.6	74.3	68.6	69.5	75.4	69.7	73.9
	1984..........	71.1	73.2	67.0	63.8	64.1	63.0	62.4	57.6	40.8	65.7	51.9	63.5p
	1985..........	58.1p											
Over 3 month span	1983..........	46.8	57.3	64.1	75.1	75.7	77.8	74.1	81.6	80.8	78.9	79.5	77.6
	1984..........	82.4	80.5	76.5	71.1	68.4	68.9	63.5	58.1	58.6	53.5	65.4p	61.6p
	1985..........												
Over 6 month span	1983..........	50.8	63.0	69.2	75.1	80.0	82.4	84.1	82.4	84.6	85.9	86.8	83.8
	1984..........	81.9	82.7	79.7	75.4	69.2	63.2	62.4	62.7	64.3p	61.6p		
	1985..........												
Over 12 month span	1983..........	49.5	54.3	61.9	71.1	77.3	79.5	83.8	88.1	86.8	87.3	85.4	87.3
	1984..........	86.5	81.9	78.9	76.8	74.3	74.9p	72.7p					
	1985..........												

[1] Number of employees, seasonally adjusted for 1, 3, and 6 month spans, on payrolls of 185 private nonagricultural industries.

p = preliminary.

NOTE: Figures are the percent of industries with employment rising. (Half of the unchanged components are counted as rising.) Data are centered within the spans.

Representative OBEY. Just a couple of quick questions.

In your prepared statement, you indicate that typically the female labor force declines from December to January. This year, however, their number held steady, and after a seasonal adjustment, the labor force participation rate for adult women rose to 54.4 percent.

Do you have any conclusions from that, anything we ought to be watching for ?

Ms. NORWOOD. Well, I think there are a couple of points that could be made. The first is that we do have to be careful not to read too much into a single month, particularly when it involves labor force change. Our experience has been that labor force change really needs to be looked at over a period of several months.

Now having said that, I think that if you look at the business survey, you will find, as I pointed out, three areas of employment gains—retail trade, construction, and services. The services industry continues to show strong growth, particularly in business services. Gains have been continuing month after month. Construction clearly was affected by the mild weather that we've had. And so there was more activity, I think, in January than there usually is.

The retail trade data are a little bit more puzzling. They would, I think, perhaps be somewhat affected by the fact that the survey week was a bit earlier and, therefore, employers may not have taken the full action that they normally do to cut back their payrolls after the Christmas period. On the other hand, there is evidence, some considerable evidence, particularly in this morning's newspaper, that retail sales from some of the major retail organizations were fairly high in January, compared to previous years, which would bear out the fact that there has been more activity in retail sales than there normally is in January.

So I think that we need to be aware of the fact that the 350,000 increase in employment reported in the business survey may, for those reasons, be slightly overstated, but I also believe that the business survey is showing real employment growth still. Except in manufacturing, which is another special case.

Representative OBEY. The same question I usually ask on this point: What proportion of the unemployed are drawing unemployment insurance?

Ms. NORWOOD. It depends on how you calculate it but if you take the number of people claiming unemployment insurance benefits as a percentage of total unemployment, the figure is 38 percent.

Now the 8.5 million unemployed in January, of course, includes the people who are new entrants to the labor force who probably wouldn't have UI coverage.

Representative OBEY. And that compares historically how?

Ms. NORWOOD. Well, for many months now the proportion of the total unemployed who are claiming benefits has been quite low. Historically, it used to be in the 45, 50, or higher percent range and if you go all the way back to 1975 it was 67 percent. But for the last couple of years, but especially 1983 and 1984, it has been considerably lower.

Representative OBEY. In your judgment, why haven't we seen a decline in the number of persons who are trying to find full-time work but wind up in a part-time situation?

You would expect—at least I would expect—that normally in an economy which has been recovering for this long a period that number would look better than it does.

Ms. NORWOOD. The number of persons working part time for economic reasons did go down slightly this month, by roughly, 200,000. But you're quite right, 5.6 million is a very high number especially for this stage of recovery. I don't know the reason.

I suspect that many employers are being very cautious about expanding their payrolls too fast. Slack work is given as the reason for roughly half the group. They have jobs but there is not enough work for a full-time schedule. But the other half of them, roughly 2.8 million, are people who were looking for work and were only able to find part-time work even though they wanted full-time work.

But you know, this is happening at the same time that the average workweek is really extraordinarily high by historical standards. So it is somewhat puzzling. I don't think there's any question about that.

Some of it may be due to the restructuring, in a sense, that is going on within manufacturing. We have a number of manufacturing industries that are not growing. They haven't had a net job gain during 26 months of recovery. And yet we have others that are, really, doing extraordinarily well.

Mr. PLEWES. The slack-work component of involuntary part-time work has, indeed, behaved cyclically. It came down sharply early in the recovery period and more slowly after that. The other component—persons who can only find part-time jobs is coming down, but slowly. It seems to us that there may be an increasing propensity on the part of employers to offer only part-time work and, therefore, we have to speculate as to why.

One reason may be that they're still timid as the Commissioner said. Another reason that was suggested to us by our Business Research Advisory Committee recently is that part-time workers require a smaller benefit package and less of a long-term commitment to benefits and pension plans than do full-time workers.

Ms. NORWOOD. One of the interesting bits of information that I have is that I'm on an advisory committee for Statistics Canada and one of the things the Canadians are concerned about is that most of their growth has been in the development of part-time jobs. It is not true in the United States. But the Canadians have found that the growth in their employment—growth of jobs—has been mainly in part-time jobs.

Representative OBEY. Thank you.

Senator Proxmire.

Senator PROXMIRE. Ms. Norwood, I know you do your very best to make your figures as precise and accurate as possible and always give us fair warning on it.

Let me ask, however, about the figures of this month—or, last month. In your prepared statement you point out—and I quote:

> This year there were smaller than usual declines in construction, retail trade, services, in part because the survey week was earlier than usual. The weather was comparatively mild.

The survey week was January 6-12.

Now the weather in much of the Nation now and for much of—for the rest of January is, to put it mildly, is not mild.

Ms. **Norwood**. That's right.

Senator **Proxmire**. And we can't always count on favorable timing of the survey week and, therefore, it appears that we may have underestimated the rising unemployment because that severe weather we've had lately, it seems to me, would certainly have an influence in discouraging construction, for example, and all kinds of outdoor employment.

Ms. **Norwood**. I think we kind of expect that the weather will be different when we look at the February data. I don't know how different or what those effects will be. And I am not sure how much of an effect this has had but I think we should recognize if you have mild weather and you can have more construction activity it is possible there are more jobs than you would normally have.

And you're quite right. If we were to have very bad weather all over the country, that's going to mean less construction activity for the month of February.

Senator **Proxmire**. Then there's another reason—the paper this morning reports in January that I don't think we included in the report that we have due to the fact that it's the first week. It says:

> Retail change posted disappointing results for January. Most retailers reported single-digit sales gains and three—Mobil's Montgomery Ward unit, Mercantile Stores, and Edson Brothers—said sales fell from a year earlier. Cold weather and weak consumer spending were cited.

Is it possible that that also is an indication that maybe January was a little worse than was measured by that early week?

Ms. **Norwood**. I think it's interesting to look at different interpretations of the same set of data. This morning's Washington Post listed some figures on retail sales, compared to a year ago, that is, January over January for some of the major retail establishments and they showed some really substantive percentage increases: 16.3, 7.4, 12.7, 9.7, and 9.3 percent. The lowest increase: 4.7 percent, was listed for the Federated Department Stores and that's fairly flat if you take inflation into account.

So I think what that's saying is that there has been some growth in retail sales. On the other hand that may be because there are more sales, that is, prices may have been reduced more than usual.

Mr. **Plewes**. I think I have something to add that may be useful. Retail trade employment went up by about 130,000. If we look at some of the subgroups under that it helps us to understand where it came from. For example, jobs in the general merchandise stores we're talking about went up 22,000. Food stores went up by 13,000 jobs. Automobile dealers and service stations went up by 8,000. And eating and drinking places—restaurants and the like—went up by 34,000.

Ms. **Norwood**. All after seasonal adjustment.

Mr. **Plewes**. All after seasonal adjustments. So it was widespread in the retail sector and it wasn't all in the general merchandise area.

Representative OBEY. So that way, on a $10 million bridge, what would that increase the cost by if it were to increase by 50 basic points?

Ms. ACKERMAN. Half a million dollars.

Representative OBEY. If we were to try to translate that into a nationwide picture, a study on the needs of the Nation's infrastructure which was prepared by the staff of the Joint Economic Committee before I became chairman assumed—or indicated that we needed infrastructure investment in some 23 States of about $300 billion by the year 2000. In other words, that report estimated that cities, counties, and States would have to raise an additional $300 billion to build roads, bridges, sewer systems, water treatment plants, et cetera, et cetera.

Now, if we suppose the overall cost of borrowing money increased by the same amount you just estimated for that bridge and if you applied that nationally using the 50 basis points gap that you have just described, what would be the projected increased cost of raising that $300 billion for infrastructure investment over the next 30 years? Do you have any idea?

Ms. ACKERMAN. I would suggest that the cost would be even higher than the example earlier, just the 50 basis point spread, because if you look at the tax plan as it now exists you really have a compounding effect. There is a lessening of the attractiveness of municipal bonds, therefore some degree of higher interest rates because of the reduction in overall tax levels.

That is compounded by the potential elimination of deductibility, and then if the types of bonds which you can be issued as tax exempt are restricted in the future and municipalities start issuing taxable debt, I think you are talking about potentially very large incremental additional costs of borrowing.

I would like to take a little bit more time to work up some numbers, and I would be happy to submit them to you at a little later date.

Representative OBEY. Thank you. So to sum up, would you sketch for us the likely scenario for the public purpose bond market in the future if the Congress were to adopt the President's proposal to totally eliminate the deductibility of State and local taxes?

Ms. ACKERMAN. Well, I think the key there is that it certainly creates a climate of uncertainty, and whenever that exists in the bond markets, in particular, there is a higher perceived level of risk on the part of investors, and that inevitably leads to higher interest costs.

I guess a prime example of that was during the New York City fiscal crisis in 1975–76.

So we really see significant associated higher costs to State and local governments because of this tax plan, therefore, as I have said, the potential for lowered credit ratings.

Representative OBEY. We have seen a lot of stories in the media over the past week indicating who was able to get the ear of the Treasury and the administration between the time Treasury I was proposed and the time the administration's plan was actually produced.

I noticed on CBS News a long piece describing the different degree of access that representatives of the oil industry and oil and gas States were able to obtain in order to plead their case on the depletion allowance and other oil and gas tax breaks. They indicated that they were able to see Treasury Secretary Baker and Mr. Darman, his chief assistant, as well as the President himself to discuss the question. They indicated somewhat more limited access had been provided for a number of other groups.

To your knowledge, were the leading firms in the public purpose bond industry consulted by the Treasury Department in preparation of this tax plan?

Ms. ACKERMAN. I can certainly speak for Moody's Investors Service, and we were not contacted. I really don't know about the other firms in the industry, so I really can't speak to that.

Representative OBEY. Do you know whether they discussed it with the Public Securities Association, which is the umbrella group of the public service bond industry?

Ms. ACKERMAN. I know the Public Securities Association has instigated correspondence to Secretary Baker and Mr. Darman. I really don't know if there were responses to those questions raised.

Representative OBEY. Congressman Scheuer, do you have any additional questions?

Representative SCHEUER. Just one last question. There are now about $400 billion worth of State and local tax-exempt bonds outstanding according to the Federal Reserve. A significant amount of these is owned by the Nation's banks.

Now, if the President's tax plan reduces credit ratings and increases interest rates, perhaps the 35 to 50 points that you are talking about, the value of these bonds will fall enormously, maybe in the order of magnitude of $14 or $15 or $16 billion.

How would that affect the financial condition of the Nation's banks that hold a high proportion of these bonds?

Ms. ACKERMAN. Again, I don't mean to sound evasive. That is really not my area of expertise.

All I could really add in the way of trying to answer the question is because banks are regulated both at the federal and the State level, there usually are requirements set for the level of rating, the level of creditworthiness of debt obligations, whether corporate or municipal, that the are allowed to hold.

So what I would say, at the very least, is that if credit ratings started to fall on municipal bonds you would see probably a number of banks which would have to sell a lot of their portfolio holdings. That obviously would cause some financial difficulty for some of them.

But again, I think there are people more expert in the financial condition of banks than I.

Representative SCHEUER. But if a large number of these bonds were dumped on the market as of a certain date, which might be required by the Fed, as you indicated, that certainly would produce insecurity and a certain amount of chaos in the industry.

I would think over a period of time the market values would accommodate themselves and over a period of time some ratings might even improve. I would think that over the short term it would produce a great deal of disequilibrium.

Ms. ACKERMAN. I am sure that is true.

Representative SCHEUER. So there are real costs of this short-term costs of insecurity, loss to investors, loss to banks, loss to the stability of the system itself.

The administration is taking the position that it is not fair to subsidize cities and States by ending what in effect was an arrangement that eliminated double taxation. Yet they do this for foreign governments. They allow Americans abroad to pay taxes to foreign governments, to take full credit on that in their income tax returns.

Why is it so much noble and righteous to give this unfair subsidy to foreign governments, to Saudi Arabia and all the other Persian Gulf states, than it is to give it to American cities and States and give this same consideration to American cities and States?

Ms. ACKERMAN. Again, that is an issue that has been having a lot of discussion over the last couple of years within the industry, both on the private side of the industry as well as at the State and local government level, and that is: From where does the ability of State and local government to in fact issue tax-exempt debt derive?

I think that question has yet to be fully resolved.

Representative SCHEUER. Thank you very much, Ms. Ackerman. Thank you, Mr. Chairman.

Representative OBEY. Just one more comment. In your statement you indicated that this recommendation can be said to be an attempt to shift a portion of the Federal Government's deficit onto State and local governments.

I think that really sums it up in a nutshell. In my judgment, what is really happening with this recommendation is a lot of people are being fooled by it, frankly, because it is a tough one to explain. Financial and tax relationships always are.

But I think Mr. Stockman gave us very early warning in his Atlantic Monthly article a number of years ago when he indicated that the entire administration approach on the budget was simply a Trojan Horse for the purpose of getting that top rate down, trickle-down economics in order to get the top rate down. That was their main goal, and everything else is window dressing.

They accomplished half of their goal in the 1981 tax bill. In doing that and in reducing tax rates generally, they created an enormous deficit, as you indicate, because simultaneously with cutting those tax rates we have seen a huge buildup on the military side of the budget.

What is happening is that an effort is being made again to lower that top rate and in order to do that they are trying to simply shift a good portion of the impact to State and local governments through the elimination of this deduction.

I don't know, I don't have the number exactly yet. Frankly, I have had three different numbers on it for the last day and a half. But certainly it is going to cost, I would guess, around $20 billion to lower that top rate, somewhere within $5 billion on either side of that. This item costs $33 billion or so.

So what is happening is that in order to finance the reduction of the top rate for the people who are the most well off in this society, in order to fulfill its promises to restore two-thirds of the tax breaks for the oil and gas industry and in order to meet a few of its other political requirements, the administration is asking the

States to face a significant rise in their own taxes again or to reduce services to adjust to the pressures that will result from this recommendation.

So I think, as I said at the beginning of the hearing, this is not just a tax plan; it is an ideological plan. It is part of an ideological plan that would crowd out the ability of anybody but the Federal Government to dictate basic tax policy and budget policy at the Federal and State level.

As the panel indicated yesterday it certainly shrinks the ability of States to follow their own stars in meeting their own social obligations and budget needs.

It certainly, as George Will pointed out this morning in the paper, makes the Federal Government the tax hog on the block. I find it ironic that while the administration is proposing budgets over a series of years which ask States to pick up the greater share of the burden of educating people, providing welfare, providing transportation services, providing mental health services—you name it—they are also squeezing their ability to do so by attacking this provision.

This provision is key in that ideological agenda, and I think that is one reason why it has nothing whatsoever to do with the issue of tax reform.

I thank you very much for coming here today.

Ms. ACKERMAN. And you are very welcome. Thank you.

Representative OBEY. The committee stands adjourned.

[Whereupon, at 11 a.m., the committee adjourned, subject to the call of the Chair.]

APPENDIX

The Case for Eliminating Deductibility of State and Local Taxes

by

Bruce Bartlett

President Reagan's proposal to eliminate the deductibility of state and local nonbusiness taxes from the federal tax base is among the most controversial provisions in his tax reform plan.1/ It is a deduction that has existed since the beginning of the federal income tax in 1913. Nevertheless, the case for eliminating this deduction as part of an overall tax reform is strong. Although there is likely to be strong pressure for retaining or limiting the scale-back of this deduction, its elimination should be strongly supported.

Under current law a taxpayer who itemizes is allowed to deduct from his adjusted gross income all state and local income, sales and property taxes paid. Obviously, therefore, taxpayers who do not itemize -- approximately two-thirds of all taxpayers -- get no benefit from this deduction. Moreover, benefits of the taxes paid deduction accrue largely to more wealthy taxpayers, partly because they tend to pay more state and local taxes and partly because each dollar of deduction is worth more the higher one's marginal tax bracket is. Thus, a $1 deduction is worth 25 cents to someone in the 25 percent bracket but 50 cents to someone in the 50 percent bracket in terms of tax savings. Table 1 illustrates the distribution of benefits from the deduction for state and local taxes.

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Table 1

Percent of Total Deductions for State and Local Taxes by Income Class, 1983

Income Class	Percent
$ 0 - 9,999	0.3
10,000 - 14,999	0.5
15,000 - 19,999	1.2
20,000 - 29,999	6.1
30,000 - 49,999	25.4
50,000 - 99,999	42.0
100,000 - 199,999	14.0
200,000 or more	10.5

Source: Treasury Department.

The deduction for state and local taxes is among the fastest growing "tax expenditures." In 1970 $32 billion of state and local taxes were deducted. By 1983 this figure had risen to over $100 billion.2/ The Congressional Budget Office estimates that elimination of deductibility would raise federal revenues by $176.2 between 1986 and 1990 on a static basis, in the absence of any other tax change.3/ The Treasury Department estimates that elimination of deductibility as part of an overall tax reform proposal which also lowers marginal tax rates would raise revenues by $148.9 billion.4/ The difference between the two figures is largely due to the fact that under current law the top tax rate rises to 50 percent while under the President's proposal is would be no higher than 35 percent.

The value of deductibility is not the same for everyone, of course. Its benefits are greatest in those states where taxes are the highest. The Advisory Commission on Intergovernmental Relations

(ACIR) estimates the tax saving from deductibility at $263 per capita for a resident of New York, but only $33 per capita for a resident of Tennessee. Appendix I shows the figures for all states including the most recent per capita income. As one can see, the federal tax benefits from deductibility accrue mainly to the richer states.

Because the benefits of deductibility do vary so widely it in effect constitutes a subsidy from lower-taxed states to higher-taxed states. And because the states with heavier state and local taxes tend to be wealthier, in terms of per capita income, deductibility constitutes a subsidy from the poor to the rich. The 15 states with above average tax savings from deductibility, for example, have average per capita incomes over 17 percent higher than those states with less than average tax savings from deductibility.

Deductibility may also be seen as a subsidy from the poor to the rich within a state as well. This is because the advantages of deductibility accrue only to those who itemize -- generally more wealthy taxpayers -- and not to those who use the standard deduction. Throughout the U.S. as a whole only 37 percent of taxpayers itemize. In the states, however, the proportion of itemizers varies from a high of 50 percent in Utah to a low of 19 percent in West Virginia.5/ This point is emphasized by Professor Edward Gramlich of the University of Michigan in a recent study. He makes the point that fees and charges, which are generally more efficient methods of raising revenue, are not deductible while less efficient sales and income taxes are. Moreover, since far fewer than half of all taxpayers itemize, the vast majority of voters fail to benefit from deductibility. As Gramlich notes, "If the median, or decisive, voter in a community does not itemize, then the deduction does not affect state and local spending but merely represents an unwarrented tax break for the high-income taxpayers who do itemize."6/

Perhaps more importantly, deductibility of property taxes represents a bias against renters in favor of homeowners. This is because, as a 1977 Treasury study reasons, rents embody a share of property taxes. Over time, in fact, rents will rise dollar-for-dollar with an increase in the property tax. Yet only homeowners will be relieved of this burden by deducting such taxes from their taxable income. Renters will not.7/ To the extent that homeowners are generally wealthier than renters, therefore, this again means that deductibility constitutes a subsidy from the poor to the rich.

This point is also true of sales taxes, which must be paid regardless of one's income. Thus not only are sales taxes inherently regressive, but this regressivity is increased by allowing such taxes to be deducted from taxable income. A dollar's worth of sales taxes will cost a dollar to someone who does not itemize, or even pay any income taxes at all because their income is too low, but will cost someone in the top federal tax bracket only 50 cents under current law. Again, the rich are able to enjoy government services at less cost than the poor -- income redistribution in reverse.

As bad as this situation is, it would be worse if, as some studies suggest, the rich were able to direct government spending toward their own interests. Helen Ladd of Harvard notes that a Massachusetts survey in 1980 found that 56 percent of household heads who voted lived in households that itemized. Of 58 cities and towns surveyed, itemizers accounted for more than 50 percent of the voters in all but 16.8/ Gramlich cites a 1978 Michigan survey which found that 49 percent of Michigan voters itemized. This percentage, however, rose as high as 60 percent in some high-income areas.9/

This suggests that wealthier voters who itemize may be successful in raising local government spending for things they may favor, such tennis courts or golf courses, knowing full well that the cost to them of such services will be partially borne by the federal government and others in the community who do not itemize. Thus Gramlich argues that the tax code actually encourages rich people to live together so they can export their taxes to others. "It is hard," he says, "to imagine a consciously designed public-policy measure having worse impacts on both efficiency and equity, in the short and the long run, than the federal income-tax deduction for state and local taxes."10/

Overall, deductibility of state and local taxes has been estimated to increase total state and local government spending by as much as 20.5 percent, according to the Congressional Research Service.11/ The ACIR puts it at only 7 percent -- which would still be about $30 billion (total state and local government spending was $434 billion in 1983).12/ Most other estimates put the figure at 13-14 percent.13/ This means that in the absence of federal deductibility for state and local taxes state and local spending would be about 14 percent lower and thus would fall by this amount if deductibility were eliminated. This is not to say that it would fall by this amount immediately, but over time one would expect state and local spending to be 14 percent lower than it would otherwise be.

If one could show that there is some benefit to the nation as a whole of having state and local spending subsidized and encouraged to this extent, it should, of course, be taken into consideration. However, as Helen Ladd notes, to accept this argument "one would have to believe that such spillovers are positive in jurisdictions with large proportions of itemizing taxpayers and zero elsewhere. In fact, the reverse is more likely to be true; that is, positive spillovers from public sector spending are more likely in low-income or heterogeneous cities than in the higher-income communities where itemizing is more common."14/

Another effect of deductibility is to encourage state and local governments to establish progressive income taxes, as opposed to flat rate income taxes. The advantages are, as economist Edward Moscovitch notes, "the ability to shift a much greater share of the state income-tax burden onto the Federal Government, and the ability to increase state income-tax revenues...without increasing taxes on low and moderate-income families....By shifting state taxes onto those taxpayers in the highest Federal tax brackets, the adoption of graduated rates increases the total amount of Federal tax savings, and thereby reduces the total burden of a state income-tax. In effect, adoption of graduated rates offers an opportunity for the state to participate in a form of state-initiated revenue-sharing." He estimated that in 1973 the state of Massachusetts could have saved over $100 million simply by shifting from a flat-rate income tax schedule to a progressive rate schedule.15/

This is an important problem for two reasons: First, graduated tax rates tend to punish success -- i.e., the more successful one is, the more one earns, the more taxes one must pay.16/ Second, to the extent that marginal tax rates affect incentives it is the total tax rate that matters: the federal plus state and local tax rates.

Marginal tax rates vary a great deal between states and localities. Several states have no income taxes whatsoever, while they rise to over 18 percent in other places. However, deductibility of such taxes from federal taxable income substantially mitigates the impact of such tax rates. In effect, low tax states don't benefit as much as they should while high-tax states don't suffer as much as they should. In short, deductibility reduces the progressivity of tax rates.17/ Appendix II illustrates the impact of deductibility and how the President's proposal will impact on taxpayers in the top tax bracket among the different states.

Naturally, those states which presently have tax rates substantially above average are concerned that loss of federal tax deductibility will sharpen the differences in tax rates among the states. They know full well that taxpayers may "vote with their feet" and move to other states where the tax bite is lower. This happens already even with the mitigating effects of federal tax deductibility.18/ Clearly, it would increase with the loss of deductibility.

It is worth noting that most of the states protesting most loudly the proposed loss of tax deductibility are states like New York which are largely controlled by the Democratic Party. In effect, Democrats in these states have offset the loss of federal spending under the Reagan Administration with increased state spending -- cushioned by the fact that increased state taxes were partially borne by Uncle Sam. Now they fear that they will have to cut back on the spending they have used to buy votes with. And well they should. Loss of deductibility of state and local taxes may well create the most powerful tax revolt pressure seen since the days of Proposition 13 in California. It does indeed threaten the very existence of liberal administrations throughout the country.

The transition to a lower-tax environment need not be as painful as it might appear. Much more of what state and local governments do, in contrast to the federal government, is deliver goods and services to their people -- police and fire protection, trash collection, education, parks, etc. In 1983, for example, 95.8 percent of all state and local spending went to providing goods and services, according to the Department of Commerce, compared to only 32.9 percent of federal spending. It is much easier to shift the provision of goods and services to the private sector or establish user fees for their provision than such federal activities as social security or national defense. Hence, one would expect the loss of deductibility to produce a great deal of privatization and contracting out of state and local government services. Numerous studies have shown how easily this can be done.19/

Lastly one should note that without elimination of the deduction for state and local taxes tax reform is essentially impossible. Without the revenue from this provision there simply won't be enough revenue to reduce tax rates more than a very small amount -- too little to make the exercise worthwhile. Moreover, since most of the benefits of deductibility accrue to those with upper incomes it will be impossible to maintain balance among income classes from tax reform. Therefore, those who pose themselves against elimination of deductibility have effectively positioned themselves against any tax reform.

This is not to say that compromise is not possible. It might be possible to phase in the loss of deductibility over a period of years, in order to ease its impact on state and local governments. It might also be possible to reform the President's proposal to provide for an additional tax bracket between the 25 and 35 percent brackets which would ease the loss of deductibility for the vast majority of itemizers.20/ However, we should not lose sight of the fact that the benefits of deductibility accrue only to a relatively small number of taxpayers in a few states. Nor should we forget the heavy price we pay in terms of economic efficiency for a tax system riddled with such provisions.21/ There is no question whatsoever that the nation as a whole would be better off without the deduction for state and local nonbusiness taxes _even if tax rates are not reduced_!22/ Since we would also get a cleaner, fairer, more efficient tax system in the bargain, there is little doubt that, in this regard, the President's tax proposal is exactly correct.

Appendix I

Tax Saving from Deductibility of State and Local Taxes
and Per Capita Income, 1984

State	Total Tax Saving*	Tax Saving Per Capita	Per Capita Income**
New York	$4,729	$263	$12,990
Maryland	916	211	12,994
Mass.	1,146	195	13,264
California	4,664	185	13,257
Minn.	761	181	11,913
Hawaii	179	177	12,114
Michigan	1,619	175	11,466
Delaware	107	174	12,665
New Jersey	1,277	169	14,122
Wisconsin	820	169	11,352
Conn.	480	150	14,895
Oregon	389	144	10,740
Colorado	426	137	12,770
Virginia	712	127	12,116
R.I.	123	126	11,670
U.S.	28,480	120	11,658
Illinois	1,390	119	12,405
Iowa	307	104	10,705
Alaska	45	101	17,194
Nebraska	162	101	11,212
Utah	160	101	8,993
Penn.	1,199	99	11,448
Arizona	274	94	10,656

Vermont	49	93	9,979
Kansas	218	89	12,247
N.C.	537	88	9,787
Georgia	492	86	10,379
Idaho	82	84	9,555
Ohio	904	82	11,216
Montana	64	78	9,949
S.C.	253	78	9,187
Missouri	384	76	10,969
Kentucky	280	75	9,397
Maine	87	75	9,847
N.H.	72	74	12,021
Oklahoma	240	74	10,963
Alabama	251	62	9,242
Washington	260	60	12,117
New Mexico	81	59	9,640
Indiana	320	57	10,476
Arkansas	123	53	8,967
Nevada	46	52	12,451
N.D.	31	46	11,666
Florida	478	45	11,593
Miss.	116	45	8,098
Texas	643	41	11,685
W.V.	79	40	9,159
Wyoming	20	39	11,911
Louisiana	151	34	10,270
S.D.	23	33	9,847
Tenn.	154	33	9,549

1. Millions

2. 1983

Source: ACIR.

Appendix II

Highest Marginal Tax Rate By State Under Current Law and Reagan Proposal

State	Current Law*	Reagan Proposal**
Alabama	52.5	40
Alaska	50	35
Arizona	54	43
Arkansas	53.5	42
California	55.5	46
Colorado	54	43
Connecticut	56.5	48
Delaware	56.1	47.2
D.C.	55.5	46
Florida	50	35
Georgia	53	41
Hawaii	55.5	46
Idaho	53.75	42.5
Illinois	51.25	37.5
Indiana	51.5	38
Iowa	56.5	48
Kansas	54.5	44
Kentucky	53	41
Louisiana	53	41
Maine	55	45
Maryland	52.5	40
Massachusetts	58.75	52.5
Michigan	52.68	40.35

Minnesota	58	51
Mississippi	52.5	40
Missouri	53	41
Montana	55.5	46
Nebraska	54.75	44.5
Nevada	50	35
New Hampshire	52.5	40
New Jersey	51.75	38.5
New Mexico	53.9	42.8
New York	57	49
New York City	59.15	53.3
North Carolina	53.5	42
North Dakota	54.5	44
Ohio	54.75	44.5
Oklahoma	53	41
Oregon	55	45
Pennsylvania	51.18	37.35
Rhode Island	56.23	47.45
South Carolina	53.5	42
South Dakota	50	35
Tennessee	53	41
Texas	50	35
Utah	53.88	42.75
Vermont	56.5	48
Virginia	52.88	40.75
Washington	50	35
West Virginia	56.5	48

Wisconsin	55	45
Wyoming	50	35

*Top state tax rate plus 50 percent with deductibility.

**Top state tax rate plus 35 percent without deductibility.

Source: Calculated from ACIR data.

Notes

1. *The President's Tax Proposals to the Congress for Fairness, Growth, and Simplicity* (Washington: GPO, 1985), pp. 62-69; Milton Coleman, "Ending State, Local Deduction Controversial," *Washington Post* (May 29, 1985), p. A15; Jacob Javits, "The Treasury's Trojan Horse," *New York Times* (May 14, 1985); Editorial, "Guess Who Pays for Tax 'Reform'" *New York Times* (May 26, 1985).
2. Internal Revenue Service, *Statistics of Income Bulletin* 4(Spring 1985), p. 78.
3. Congressional Budget Office, *Reducing the Deficit: Spending and Revenue Options* (Washington: GPO, 1985), p. 291.
4. *President's Tax Proposals*, p. 453.
5. *Strengthening the Federal Revenue System: Implications for State and Local Taxing and Borrowing* (Washington: Advisory Commission on Intergovernmental Relations, 1984), pp. 44-45.
6. Edward M. Gramlich, "Reforming U.S. Federal Fiscal Arrangements," in John M. Quigley and Daniel L. Rubinfeld, eds., *American Domestic Priorities: An Economic Appraisal* (Berkeley: University of California Press, 1985), p. 50.
7. *Blueprints for Basic Tax Reform* (Washington: Department of the Treasury, 1977), p. 87. See also Harvey E. Brazer, "The Deductibility of State and Local Taxes Under the Individual Income Tax," in *Tax Revision Compendium*, Committee Print, House Ways and Means Committee, 86th Congress, 1st session (Washington: GPO, 1959), vol. 1, p. 414.
8. Helen F. Ladd, "Federal Aid to State and Local Governments," in

Gregory B. Mills and John L. Palmer, eds., Federal Budget Policy in the 1980s (Washington: Urban Institute, 1984), p. 195. See also Helen F. Ladd and Julie B. Wilson, "Why Voters Support Tax Limitations: Evidence from Massachusetts' Proposition 2-1/2," National Tax Journal 35(June 1982), pp. 121-48.

9. Gramlich, "Reforming Fiscal Arrangements," pp. 50-1. See also Paul N. Courant, Edward M. Gramlich, and Daniel L. Rubinfeld, "Why Voters Support Tax Limitation Amendments: The Michigan Case," National Tax Journal 33(March 1980), pp. 1-20.

10. Gramlich, "Reforming Fiscal Arrangements," p. 52.

11. Nonna A. Noto and Dennis Zimmerman, Limiting State and Local Tax Deductibility in Exchange for Increased General Revenue Sharing: An Analysis of the Economic Effects, Committee Print, Senate Committee on Governmental Affairs, 98th Congress, 1st session, (Washington: GPO, 1983), p. 11.

12. Strengthening the Federal Revenue System, p. 48.

13. Ladd, "Federal Aid," p. 195; Roger H. Gordon and Joel Slemrod, "A General Equilibrium Simulation Study of Subsidies to Municipal Expenditures," Journal of Finance 38(May 1983), pp. 585-94.

14. Ladd, "Federal Aid," p. 196.

15. Edward Moscovitch, "State Graduated Taxes -- State-Initiated Form of Federal Revenue Sharing," National Tax Journal 25(March 1972), pp. 53-64.

16. For criticism of progressivity in general see Milton Friedman, Capitalism and Freedom (Chicago: University of Chicago Press, 1962), pp. 161-76; Walter Blum and Harry Kalven, The Uneasy Case

for Progressive Taxation (Chicago: University of Chicago Press, 1953); Dan Throop Smith, "High Progressive Tax Rates: Inequality and Immorality?" *University of Florida Law Review* 20(Spring 1968), pp. 451-63; Harley L. Lutz, *Guideposts to a Free Economy* (New York: McGraw-Hill, 1945), pp. 66-82; F.A. Hayek, "Progressive Taxation Reconsidered," in Mary Sennholz, ed., *On Freedom and Free Enterprise* (Princeton: D. Van Nostrand, 1956), pp. 265-84; idem, *The Constitution of Liberty* (Chicago: University of Chicago Press, 1960), pp. 306-23; Edgar K. Browning, "How Much More Equality Can We Afford?" *The Public Interest* (Spring 1976), pp. 90-110.

17. Benjamin Bridges, Jr., "Deductibility of State and Local Nonbusiness Taxes Under the Federal Individual Income Tax," *National Tax Journal* 19(March 1966), pp. 1-17.

18. Ronald E. Grieson, "Theoretical Analysis and Empirical Measurements of the Effects of the Philadelphia Income Tax," *Journal of Urban Economics* 8(July 1980), pp. 123-37; Ronald E. Grieson, William Hamovitch, Albert M. Levenson, and Richard D. Morgenstern, "The Effect of Business Taxation on the Location of Industry," *Journal of Urban Economics* 4(April 1977), pp. 170-85.

19. E.S. Savas, *Privatizing the Public Sector* (Chatham, NJ: Chatham House Publishers, 1982); James T. Bennett and Manuel H. Johnson, *Better Government at Half the Price* (Ottawa, IL: Caroline House Publishers, 1981); Robert Poole, Jr., *Cutting Back City Hall* (New York: Universe Books, 1980).

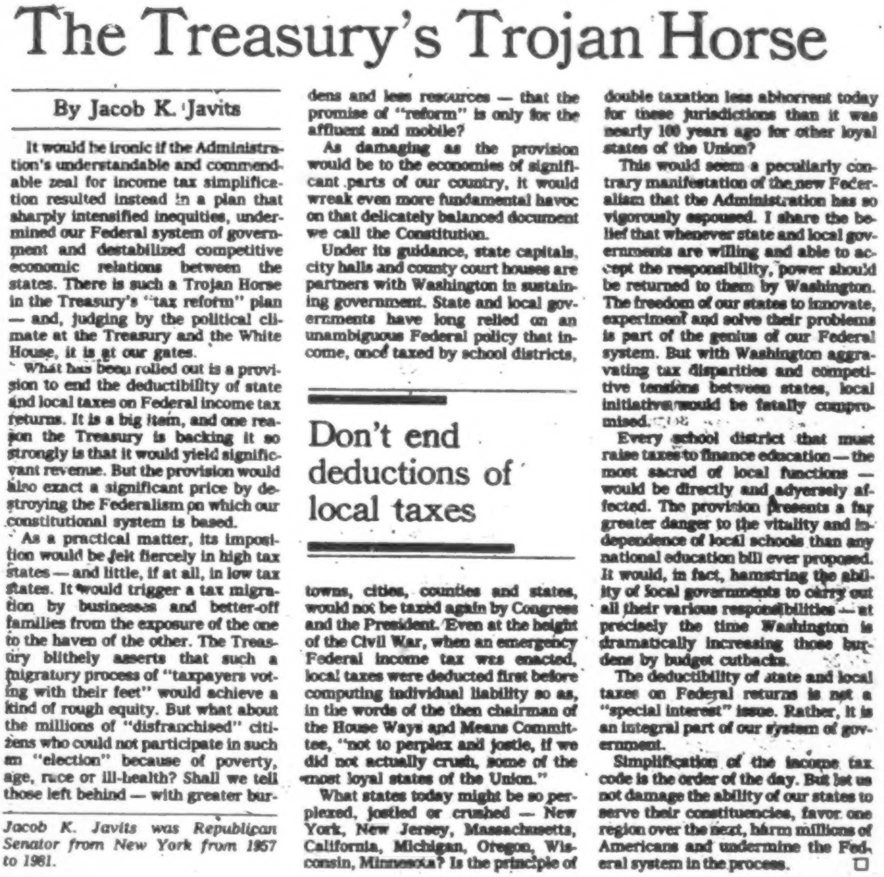
20. One option that should definitely *not* be considered is the elimination of deductibility for only selected state and local

taxes. This will just cause state and local governments to alter their tax systems toward those taxes which retain deductibility. See Ladd, "Federal Aid," p. 196.

21. Jacquelene M. Browning, "Estimating the Welfare Cost of Tax Preferences," Public Finance Quarterly 7(April 1979), pp. 199-219.

22. Gordon and Slemrod find that even without reducing rates eliminating deductibility "raises the utility of all income groups, and of home owners as well as of renters." Gordon and Slemrod, "General Equilibrium Simulation," p. 585.

[From the New York Times, Tuesday, May 14, 1985]



The Treasury's Trojan Horse

By Jacob K. Javits

It would be ironic if the Administration's understandable and commendable zeal for income tax simplification resulted instead in a plan that sharply intensified inequities, undermined our Federal system of government and destabilized competitive economic relations between the states. There is such a Trojan Horse in the Treasury's "tax reform" plan — and, judging by the political climate at the Treasury and the White House, it is at our gates.

What has been rolled out is a provision to end the deductibility of state and local taxes on Federal income tax returns. It is a big item, and one reason the Treasury is backing it so strongly is that it would yield significant revenue. But the provision would also exact a significant price by destroying the Federalism on which our constitutional system is based.

As a practical matter, its imposition would be felt fiercely in high tax states — and little, if at all, in low tax states. It would trigger a tax migration by businesses and better-off families from the exposure of the one to the haven of the other. The Treasury blithely asserts that such a migratory process of "taxpayers voting with their feet" would achieve a kind of rough equity. But what about the millions of "disfranchised" citizens who could not participate in such an "election" because of poverty, age, race or ill-health? Shall we tell those left behind — with greater burdens and less resources — that the promise of "reform" is only for the affluent and mobile?

As damaging as the provision would be to the economies of significant parts of our country, it would wreak even more fundamental havoc on that delicately balanced document we call the Constitution.

Under its guidance, state capitals, city halls and county court houses are partners with Washington in sustaining government. State and local governments have long relied on an unambiguous Federal policy that income, once taxed by school districts, towns, cities, counties and states, would not be taxed again by Congress and the President. Even at the height of the Civil War, when an emergency Federal income tax was enacted, local taxes were deducted first before computing individual liability so as, in the words of the then chairman of the House Ways and Means Committee, "not to perplex and jostle, if we did not actually crush, some of the most loyal states of the Union."

Don't end deductions of local taxes

What states today might be so perplexed, jostled or crushed — New York, New Jersey, Massachusetts, California, Michigan, Oregon, Wisconsin, Minnesota? Is the principle of double taxation less abhorrent today for these jurisdictions than it was nearly 100 years ago for other loyal states of the Union?

This would seem a peculiarly contrary manifestation of the new Federalism that the Administration has so vigorously espoused. I share the belief that whenever state and local governments are willing and able to accept the responsibility, power should be returned to them by Washington. The freedom of our states to innovate, experiment and solve their problems is part of the genius of our Federal system. But with Washington aggravating tax disparities and competitive tensions between states, local initiative would be fatally compromised.

Every school district that must raise taxes to finance education — the most sacred of local functions — would be directly and adversely affected. The provision presents a far greater danger to the vitality and independence of local schools than any national education bill ever proposed. It would, in fact, hamstring the ability of local governments to carry out all their various responsibilities — at precisely the time Washington is dramatically increasing those burdens by budget cutbacks.

The deductibility of state and local taxes on Federal returns is not a "special interest" issue. Rather, it is an integral part of our system of government.

Simplification of the income tax code is the order of the day. But let us not damage the ability of our states to serve their constituencies, favor one region over the next, harm millions of Americans and undermine the Federal system in the process. □

Jacob K. Javits was Republican Senator from New York from 1957 to 1981.